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Second Session—Twenty-eighth Parliament

1969

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 1

TUESDAY, DECEMBER 9, 1969-70

WITNESSES:

The Canadian Daily Newspaper Publishers Association were heard: Mr. Ralph Costello, President; Mr. Fred S. Auger, 1st Vice-President; Mr. Aurele Gratton, Vice-President; Mr. Gabriel Gilbert, Executive member.

The American Newspaper Guild: Mr. Glen Ogilvie, Vice-President for Canada; Mr. Giles Desjarlais, Past President; Mr. Robert J. Rupert, International Representative.

The Canadian Managing Editors' Conference: Mr. W. Ivor Williams, President; Mr. C. M. Fellman, Past President; Mr. Robert D. Owen, Past President; Mr. William H. Metcalfe, Treasurer; Mr. William MacPherson, Program Chairman; Mr. Gordon Bullock, Director.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien

Bourque

Davey

Everett

Hays

Langlois

Macdonald (*Cape Breton*)

McElman

Petten

Prowse

Smith

Sparrow

Welch

White

Willis

(15 MEMBERS)

(Quorum 5)

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

"With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith;

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the Said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith;

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative, on division.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

TUESDAY, December 9, 1969.

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10:00 a.m.

Present: The Honourable Senators: Davey, *Chairman*; Everett, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Smith, Sparrow and Welch.—(9)

In attendance: Mr. Yves Fortier, Committee Counsel; Mr. Borden Spears, Executive Consultant; Miss Marianne Barrie, Director and Administrator; Miss Nicola Kendall, Research Director.

The following witnesses representing the Canadian Daily Newspaper Publishers Association were heard:

Mr. Ralph Costello, President of the C.D.N.P.A. and Publisher of The Telegraph-Journal and Evening Times-Globe, Saint John, New Brunswick;

Mr. Fred S. Auger, 1st Vice-President of the C.D.N.P.A. and Publisher of The Vancouver Province;

Mr. Aurèle Gratton, Vice-President of the C.D.N.P.A. and Executive Vice-President and General Manager of Le Devoir;

Mr. Gabriel Gilbert, Executive Member of the C.D.N.P.A. and President and Editor of Le Soleil.

Also in attendance but not heard on behalf of the Association:

Mr. Clyde McDonald, General Manager of the C.D.N.P.A.;

Mr. David Hunter, Secretary of the C.D.N.P.A.

At 12.10 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Bourque, Everett, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Smith, Sparrow and Welch.—(10)

In attendance: Mr. Yves Fortier, Committee Counsel; Mr. Borden Spears, Executive Consultant; Miss Marianne Barrie, Director; Miss Nicola Kendall, Research Director.

The following witnesses representing the American Newspaper Guild were heard:

Mr. Glen Ogilvie, Vice-President for Canada;

Mr. Giles Desjarlais, Past President;

Mr. Robert J. Rupert, International Representative.

The following witnesses representing the Canadian Managing Editors' Conference were heard:

Mr. W. Ivor Williams, President—Managing Editor of the London Free Press;

Mr. C. M. Fellman, Past President—Managing Editor of the North Bay Nugget;

Mr. Robert D. Owen, Past President—Editor-in-Chief of the Kingston Whig Standard;

Mr. William H. Metcalfe, Treasurer—Managing Editor of the Ottawa Journal;

Mr. William MacPherson, Program Chairman—Managing Editor of the Ottawa Citizen;

Mr. Gordon Bullock, Director—Managing Editor of the Hamilton Spectator.

At 5.35 p.m. the Committee adjourned to Wednesday, December 10, 1969, at 10.00 a.m.

ATTEST:

Gérard Lemire,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Tuesday, December 9, 1969.

The Special Senate Committee on Mass Media met this day at 10.00 a.m.

Senator Keith Davey (*Chairman*) in the Chair.

The Chairman: Honourable senators, I would like to call the meeting to order. The photographers, I can assure you, honourable senators, will not be at all our hearings and I think in a moment we should ask them to cease and desist.

Honourable senators, the first brief we are going to hear is that of the Canadian Daily Newspaper Publishers Association and I should like to identify very briefly the people who are here. The chief spokesman, sitting on my immediate right, is Mr. Ralph Costello. Mr. Costello is the President of the C.D.N.P.A. and is also publisher of the Telegraph-Journal and the Evening Times-Globe in Saint John, New Brunswick. He is accompanied by Mr. Fred Auger who is the First Vice-President of the C.D.N.P.A. and the publisher of the Vancouver Province. We also have Mr. Aurèle Gratton, Vice-President of the C.D.N.P.A. and Executive Vice-President and General Manager of Le Devoir. And we have as well Mr. Clyde McDonald who is the General Manager of the C.D.N.P.A., and Mr. Dave Hunter who is the Secretary of the C.D.N.P.A. and Mr. Gabriel Gilbert, an executive member of the C.D.N.P.A. and the President and editor of Le Soleil.

As requested, the brief from the C.D.N.P.A. was received some three weeks ago and has been circulated to all honourable senators and according to the guidelines forwarded to you, Mr. Costello, we will take your brief as read. If you wish, sir, you now have a preliminary period in which you can summarize your brief, expand, explain, or say anything else you may wish. On this part of the hearing there will be a 15 minute time limit if you wish to use it. Following your opening statements, you will be questioned by the members of the Committee on things that you say,

things mentioned in your brief, or anything else which may be on their minds.

Mr. Ralph Costello, President of the Canadian Daily Newspapers Publishers Association: Mr. Chairman, Honourable Senators, as President of the Canadian Daily Newspaper Publishers Association, the first group honoured or at least summoned to appear before this Special Senate Committee on Mass Media, I am tempted to say that I am pleased to be here. It is a temptation I will resist, for I see no reason to strain the credibility gap so early in the hearings. Whether or not I am overjoyed at being here, I can say and with considerable sincerity that I wish you well in your deliberations, assuming that these deliberations are in fact designed ultimately to serve the press of Canada and the people of Canada.

If this is your objective we are in agreement. Your responsibility, if I may be so bold to tell you what your job is, before you start telling me how to do mine, will be to encourage improvement in the press without damaging or destroying that which you presumably hope to improve.

You do not have a simple task no matter what your motives and no matter how high your ideals. Any steps which might result in Government intervention—any Government intrusion that affects the role of the free press—can lead only to disaster. Disaster for the press, and disaster for the country.

Your role is further complicated by the current professionalism of the press of Canada. Now, you may not agree with that assessment and your researchers may well have found flaws in the press, but your examination of the press comes at a time when the daily newspapers of Canada have reached a new plateau towards professionalism and service. You are not examining an uncertain press which is faltering, floundering and failing in its responsibility to the people of Canada. I would urge you, therefore, to proceed cautiously before making any recommendations which may or which might inter-

fere with the free press as we know it, because the press of Canada today, whatever its failings; is more professional, more dedicated, more capable and less biased—if there is any bias at all—than at any time in the history of our country.

You may consider that a broad general statement—it is. It happens to be an opinion based on the growth and development of the press of Canada which I have witnessed, and I hope you have witnessed in the past thirty years. This development has become more pronounced in recent years and Canada today has some great newspapers and others which aspire to greatness. Yet, a challenged press, a criticized press, a press exposed to public scrutiny will surely be a better press. So, I would doubt that anyone would object if you rock the boat—if you jar us out of any degree of complacency—but I would suggest that you be careful lest you sink the ship. A free press is one of our most cherished freedoms and it is not something that can be achieved by Government intervention or Government regulations. If you believe otherwise, I for one would question your ability to sit in judgment. I am not at all sure what service this Special Senate Committee on Mass Media hopes to perform for Canada but a great disservice can be performed, can be perpetrated if there is any infringement on press freedom.

Honourable Senators, while I resisted the temptation to say I am pleased to be here, I do appreciate the opportunity I have been given to express these few words of caution and concern.

Now, as to the C.D.N.P.A. It is the Canadian Daily Newspapers Publishers Association—it is not an Association which lends itself to simple definitions. It is an association made up of daily newspaper publishers, editors and executives. These men are inclined to be individualists. They are as different as the newspapers they publish and if C.D.N.P.A. does not always take a united stand on public issues or on issues of interest and concern to the newspapers of Canada, it is probably because individual publishers and editors prefer to express their personal views in their own editorial columns. C.D.N.P.A. is strongly structured as a sales research organization. It sells the concept of advertising in daily newspapers. It is involved in research on behalf of member newspapers, on behalf of the advertising agencies, the advertisers and the public. I should tell you as well that C.D.N.P.A. is at present in the middle of a transition period. In the past two or three

years there has been a complete re-organization of policy of the C.D.N.P.A. Every facet of our operation has been examined or is being examined. As our formal brief has indicated, C.D.N.P.A. is a supporter of the Canadian Advertising Advisory Board which is dedicated to higher advertising standards. And C.D.N.P.A. is also very much involved in the newspaper and classroom programme which is designed to produce a better informed public.

C.D.N.P.A. however, does not duplicate the efforts of its members setting up scholarship programmes or supporting schools of journalism, national newspaper awards, international fellowship awards and exchange programmes for journalists. Practically all daily newspapers in Canada participate in such programmes on their own.

Honourable Senators, you have received and read, I trust, the brief of the Canadian Daily Newspaper Publishers Association and if you have any questions we will be pleased to answer them—at least, pleased or not, we will endeavour to answer them.

The Chairman: Thank you Mr. Costello. I think that Senator Smith may have a question.

Senator Smith: Yes, Mr. Chairman. I am particularly happy to be able to ask a few questions at the beginning of this meeting because these questions will come from a fellow Maritimer who happens to have a son and a large number of grandchildren in your particular area...

Mr. Costello: It's nice to know that we have one friend on the Senate Committee.

Senator Smith: There is another personal note as well—I read your newspaper when I am visiting in the area and I think it stands up very well in readability and so on. I don't get so far as to read all of the in-depth editorials which you may be responsible for.

I was glad also that Mr. Costello was able to comment and to preside over the group whom he represents.

A clipping came to my attention some time ago in which Mr. Costello indicated that he did not fear the pending Senate investigation. While I thought that would have gone without saying, I am sure that as these meetings develop you will be able to get the reassurance that you have nothing to fear.

We are not questioning anybody in the newspaper media or in the other media in

terms of embarrassment or of criticism, because what we are here for is to try and get the collection of ideas and attitudes that are presently in existence in all the mass media.

Perhaps I might add one more thing as a preliminary—it may very well develop that we will put a large number of questions that may cover subjects which you have not covered in your brief. Actually, I think perhaps most of us were anticipating a little more in-depth treatment as far as the brief is concerned, and I myself have found lots of questions that could be asked which would give us some of the information that I think we should have in order to get a total picture of all media.

In the first place, you mentioned the term "Freedom of the Press." You said "As we know it." How do you understand the meaning of the term "Freedom of the press"? It seems to me that it's open to a great many interpretations. Is it closely related to freedom of expression or is it the freedom to print and publish anything that you might want to?

Mr. Costello: I think it is a very basic freedom. It is freedom of expression, certainly, and freedom of communication; it's the same freedom that everyone has. It's not a freedom given to the press alone because its' freedom of speech. I think that anyone should be entitled to publish a newspaper and make that communication and beyond that the public is protected by the laws of libel and I think the standards which exist in Canada today, the standards of journalism give another degree of protection to the public. This is not a freedom to the press alone but it's the same freedom that you have to stand on the street corner and comment to another person, to another group, and make that communication, or write a letter, or whatever you wish to do. And you should be able to do that and the press should be able to publish and they should be able to do this without interference. In my own view without the worst type of interference; that would be the interference of Government.

Senator Smith: You mentioned in the brief—in fact you list quite a number of committees. There was one committee on technology, I noticed; as an association are you doing very much research which might lead to rather substantial changes in newspapers as we know them today? I also came across the quote from Lord Thompson who referred

to the lack of innovation over a long period. Are you, as a publishers' association doing much about enquiring into the future development of newspapers as a communications medium?

Mr. Costello: The Publishers Association of Canada is not deeply involved in personal research programmes. There is an involvement at present, an investigation into the use of computers, but this is more in the nature of a preliminary study, perhaps for head office use, but the Publishers Association of Canada is not very deeply involved. We do keep informed by visits to the A.N.P.A. research people which, of course, is very far advanced in its research programme and quite frankly we would be duplicating, in a very minor way, what is taking place in the United States and it has not been practical at this point for us to do so, and I don't think it will be in the immediate future.

The Chairman: Mr. Auger?

Mr. Fred S. Auger, First Vice-President of the Canadian Daily Newspaper Publishers Association: Mr. Chairman, I wouldn't like to leave that with the impression that there is no research being done in the technology of newspaper production in Canada because in individual newspaper plants there has been, and is being done a great deal of technological research. We have a department in our newspaper plant in Vancouver that is pursuing, definitely pursuing the research, as you call it, exploring new and better ways of improving our product.

The Toronto Star was responsible, over the past 30 years, for the development of technological improvements in newspaper production and handling that are now universally used in the newspaper publishing business all over the world.

Senator Smith: Thank you.

The Chairman: May I just ask, would it be correct to assume that this type of research is done, not by the Association, but by the member papers?

Mr. Fred S. Auger: By the member papers totally.

The Chairman: The Association does nothing itself as an Association?

Mr. Costello: No.

Mr. Auger: The Association does take an interest in the promulgation of this material between members.

Senator Smith: Mr. Chairman, I wonder whether or not there is such a thing as important union resistance because of their great interest in job security, which perhaps tends to slow down any development there might be in this vastly improved technology. Is that an important factor or not?

Mr. Auger: Yes, it is. It's a very important factor in the welfare of the union. There have been many mechanical advances over the last 25 or 30 years which have substantially reduced the man hours required to publish a newspaper and these have been detrimental to the welfare of the union, whose welfare may be described in terms of the number of members and the size of the union.

Senator Smith: I suppose that we can assume naturally that the financial implications of considerable change is an important factor too. It must be a very expensive undertaking to take many of these steps that some of you people might have in mind?

Mr. Auger: Yes, indeed.

The Chairman: Mr. Gilbert?

Mr. Gabriel Gilbert, Executive Member of C.D.N.P.A. and President and Editor of Le Soleil: Mr. Smith, if I may add, unions at their best expect us to go on making new changes, new technological advances providing that we don't lay off any of their people, and at worst they don't let us even talk to them of any changes. That's about the situation in Canada as it is in the States.

Mr. Costello: This does not have to be attributed entirely or wholly to unions. There is a very human resistance to change which applies to the unions and it applies in newspapers because we have so many unions and changes are taking place, but there is a very human built-in resistance to change and this occurs at a certain point in someone's life. Sometimes people are not able to change at 18 and sometimes they are not able to change at 45, but there are difficulties in bringing about change.

Senator Macdonald: Mr. Chairman, in connection with the statement that unions are prepared to go along with new technology provided that none of their members are laid off. At the present time has that stopped you from getting new machines or do you now have machines and do you now hire men who are not working?

Mr. Costello: I think this is a question that should be directed at individual publishers. It is a fact that in Canada as well as all over North America, the first position and the first responsibility of a union is to the union members, and every union will attempt to keep people and will do anything possible to negotiate in a manner which will protect jobs. This does occur and it slows up technological advancement.

The Chairman: I think, Senator Macdonald, that Mr. Costello's point is very well taken and that I think is perhaps an excellent kind of question that perhaps we could put to the individual publishers as they arrive. Perhaps I could ask Mr. Costello—what is the role of the labour relations sub-committee of your executive?

Mr. Costello: The basic role is one of information. It is one of information to members and it also directs the labour seminars. I presume we are not going to become deeply involved in what takes place at newspaper labour seminars but I think the publishers attempt to prepare themselves for negotiations as the unions in their groups prepare for themselves and to be as professional or as unprofessional, when we sit down across the table.

The Chairman: You are aware, I am sure, that we will be hearing from union people in the course of our hearings?

Mr. Costello: Oh yes. Let them tell their story.

The Chairman: I was just wondering if you want to tell yours?

Mr. Costello: Well, certainly. I think again it is an individual question. Every newspaper has its own problems but the labour committee in the C.D.N.P.A. is an information centre which distributes information to the members. Distributes information to the members of the newspapers on trends in labour, on labour rates and things of that nature.

Senator Smith: I think we have dealt enough with that particular question but I might as a supplement to what I was talking about a while ago—that is technology—put forth a proposition which I have heard expressed on a number of occasions. I have no reference on it and I don't recall where I have heard it. I might have read something on it or on the subject, but are you people in the publishers' association—do you give any consideration at all to the possibility of a

newspaper as we now know them becoming obsolete and non-relevant towards society in terms of new technology completely of communications? It's been visualized sometime in the future that the householder will have at his fingertips the facsimile, or he will have all the information, he will have shopping services all in one great package right in front of him—in front of a tube. Is this in the world of fantasy or are you people thinking seriously along that line?

Mr. Costello: Well, I certainly hope it's in the world of fantasy.

Senator Smith: So do I.

Mr. Costello: Everyone is thinking seriously about it. Personally, I don't see it in the immediate future, I don't see it at all but that's because I am prejudiced and in favour of the newspaper as we know it and the type of newspaper which is being developed, and I don't think that going and pressing a button and waiting for it to roll off the television is going to be a threat in the immediate future. I think that there will be those, and we are being told that this is going to be a threat and it's being watched very carefully. I think more so in the United States than in Canada but again I think you will get a lot of opinions on that in the weeks immediately ahead. You know that there are great investments being made in Canada in the future of newspapers and I think the Toronto Star is going to spend a few million dollars. I don't think it plans on going out of business in the next decade.

Senator Smith: Mr. Chairman, I think perhaps I will just ask one more question at this time.

I ran across this copy of Newsprint Facts yesterday I think we have all been on the mailing list—at least I have—for many years and I noticed something in it which gives rise to my asking you a question under the heading of advertising research. I think your brief makes some comment on advertising research. From what I gather this Newsprint Facts is published by the Newsprint Information Committee in New York City. It is supported by quite a large number of Canadian newsprint manufacturers. I don't see the name of the company in Eastern Canada which I know quite a bit about, which is the Bowater Corporation, but there are all the other big ones, Abitibi, Anglo Canadian, BC Forest Products, and so on. Mr. Jack Hoffman, who is president of the Bureau

of Advertising of the American Newspaper Publishers Association—and I am sure you know him quite well—is quoted as saying this: "Without the newspaper information committee to do research, solid selling of newspapers as an ad medium would be impossible." Do you—do our Canadian publishers, do they have an opportunity to profit from any research that is done?

Mr. Costello: I think we do.

Senator Smith: By this committee?

Mr. Costello: Yes, I think we do. We do profit from research and we are aware of research and the newsprint manufacturers of Canada have been involved in research programmes with the C.D.N.P.A. in the past, and I think they will be in the future.

Senator Smith: Just as a matter of interest, I would like to read another paragraph which indicates that the research that is being done with regard to newspapers indicates that eight out of ten Americans read a newspaper and more than nine out of ten of those have incomes of \$10,000 and over. Seven out of ten teenagers, eight out of ten readers open the average page carrying a national advertisement. I don't know what the significance of that is but it is just a detail which they publish.

Mr. Costello: I think the readership would be much greater in Canada.

Senator Smith: Well, our newspapers are much better than the ones in the United States.

The Chairman: I would like to ask Mr. Costello this question. There are, I believe—how many members of the Association?

Mr. Costello: I beg your pardon?

The Chairman: The question I wanted to ask is how many daily newspapers in Canada don't belong to the Association, and if they don't belong why don't they belong and what do you do to get them to join?

Mr. Costello: I think there are approximately 11 to 17 daily newspapers in Canada which do not belong. Of this number, 11 withdrew from the Association about a year ago, a year and a half or two years ago. The reason for this—the reason given was that the fees had become a problem for small daily newspapers in Canada.

The Chairman: Am I incorrect in thinking that these 11 were all Thomson papers?

Mr. Costello: There were I believe 11 Thomson newspapers.

The Chairman: And they all gave as the reason for leaving the fees were too high?

Mr. Costello: They were concerned about the fees. They were all small circulation newspapers and they did not feel they were getting the benefit of the national advertising sales programme of the C.D.N.P.A. which would justify continuance of their membership. In addition to this, the Thomson newspapers have their own national sales programmes and these member newspapers contribute to that, so there is a feeling—I think Thomson should explain their position more desirably than having me do it.

The Chairman: The balance of the Thomson newspapers belong?

Mr. Costello: Yes, that is correct.

The Chairman: What do you do to get these other people to join?

Mr. Costello: Well, we have invited them and that hasn't worked but we are working on this problem and it is a matter of assessing our fee structure and seeing if we can't come up with some new structure which would make it possible and feasible for them to become members of the Association. This is being done this very minute.

The Chairman: For the whole 17?

Mr. Costello: Yes. Our objective would be to have every daily newspaper in Canada as a member.

The Chairman: I would like to ask if I could about the relationship of the Canadian Daily Newspaper Publishers Association as it pertains to the franchising of advertising agencies. What exactly is that relationship? You grant a franchise to an agency, is that correct? Could you explain to us how it works?

Mr. Costello: On the assumption we are going to be here for a long time.

The Chairman: Could you do it in a few minutes?

Mr. Costello: I think the franchise system so called basically, and I will lean on Clyde or any other member of the Committee for an expansion of my explanation, but basically

and originally it was a credit rating system. It was developed for this purpose; there would be a central office which would be in contact with advertising agencies and would report to the members that an agency placing advertising in newspapers all over Canada would later be in a position to pay the bills. I think your Committee, or some of your consultants, have received a background information sheet on the evolution of the franchise system. We have had a very detailed franchise document which we have been studying for the last two and a half years with the hope of eliminating a great many of the unnecessary clauses. We now propose to do this and I think we are going to have about two sentences replacing about 20 pages. Basically it's a credit rating report for protection for the members. Now, Mr. MacDonald, is that correct?

Mr. Clyde H. McDonald General Manager, Canadian Daily Newspaper Publishers Association: Yes, that is essentially a correct statement.

The Chairman: How is it being changed?

Mr. Costello: We would become better editors because we find we could say in two paragraphs what took us 20 pages to say in the past.

The Chairman: So the only changes really are editorial changes?

Mr. Costello: Perhaps it's a little more complicated than that. The new franchise will be a C.D.N.P.A. credit rating and there will be an A rating, a B rating and a C rating, and agencies—there will be reports to the members on the ratings of the advertising agencies and the newspapers then, at their own discretion, will do business with these agencies and adhere to the guidelines of the credit rating, or ignore the guidelines of the credit rating.

The Chairman: Is a newspaper free to pay the 15 per cent commission to a person or an agency who is not a member of the C.D.N.P.A.?

Mr. Costello: The newspaper is free to do anything it wishes.

The Chairman: And do in fact some of the newspapers pay the agency commission to non-franchise agencies?

Mr. Costello: I don't know. When I say I don't know I say that I don't have specific knowledge. It has been said that newspapers do this—and Mr. Gratton does it; then the answer is yes.

Senaior Prowse: It's a way of protecting the publisher from somebody who just comes along and says "All right, I want to put an add in your paper?"

Mr. Costello: It's not on an individual newspaper but an agency might place ads all over Canada in a hundred daily newspapers and two months later not be in a financial position to pay.

The Chairman: Would it be possible for us to get a copy of this?

Mr. Costello: Yes, but you have it.

The Chairman: We have it on file do we?

Mr. Costello: Yes.

The Chairman: Could we have some indication of the changes that are being made?

Mr. Costello: They are here.

The Chairman: They are here as well?

Mr. Costello: Yes. That is why I say it is a very long document and was prepared in advance for this purpose.

The Chairman: Would you happen to know, Mr. Costello, if the other media are making comparable changes in their franchise agreements?

Mr. Costello: Radio and television?

The Chairman: Yes.

Mr. Costello: I don't think that I have personal knowledge—we have no knowledge of that.

The Chairman: Mr. Fortier. Mr. Fortier is the Committee counsel.

Mr. Yves Fortier (Committee Counsel): Mr. Chairman, I wonder if Mr. Costello could give further particulars of the disasters which he feared in the event of Government intervention so far as the press is concerned. He has alluded, rightly, to the law of libel and slander which exists at the moment, and there are also regulations under the Food and Drug Acts with respect to advertising which can only be described as Government intervention into the freedom of the press. To be more specific, what other intervention on the part of Government do you fear which would result in disaster to the newspaper industry in Canada?

Mr. Costello: Well, I think I would fear any intervention. As a personal individual I would

be concerned about—and I am not speaking, and I cannot speak for the Association on this because we would have to meet and argue for a month before we could determine our position. I personally would fear a press council, whether a press council is good or bad, if that press council were originated by the Government, and if the Government had any influence in such a council—that would be my personal fear. I think that every newspaper publisher is concerned about his right and his responsibility to publish Government news or to publish political news. If the Government has any means of asserting pressure on the newspapers—for instance, if the Government becomes involved in controlling the newsprint situation—this has happened in some sections of the world but is that something that would happen in Canada? I hope not.

Senator Macdonald: It happens during wartime.

Mr. Costello: Well, it has happened in other countries during peacetime.

Senator Smith: But it happened here during wartime.

Mr. Costello: Yes.

Mr. Fortier: But these forms of intervention—this is what you fear?

Mr. Costello: Again, I would fear any pressure that could be brought to bear on a newspaper by any Government body; this is what I fear.

Mr. Fortier: Mr. Costello has described his association as being an association of publishers, editors and executives. From a reading of the Association's brief I received the distinct impression that the Association was oriented or was geared toward the advertisers and in the interests of the publishers. May I ask Mr. Costello what interest, if any, his Association has in the content of editorials—in the editorial content of Canadian newspapers?

Mr. Costello: No, I don't think the Association becomes involved in the editorial content of any individual newspaper. Editors do belong to the Association.

Mr. Fortier: But in the United States, as you know, there is an organization of newspaper editors. Is there such a body in Canada to your knowledge?

Mr. Costello: There is an organization. It will appear today, the Managing Editors Conference of Canada, yes.

Mr. Fortier: These are managing editors?

Mr. Costello: Yes.

Mr. Fortier: Is there—am I correct in assuming that this is not identical in make-up to the American Association of Editors?

Mr. Costello: Frankly, I don't think I am completely familiar with the American Association of Editors. I know there is an American Association of Managing Editors which is similar in some ways to our own Canadian Association. Are you telling me there is an American Association of Editors?

Mr. Auger: There is an organization known as the American Society of Newspaper Editors, ASNE, and I think they meet annually. Also, I am not sure if it is within that organization that there is a Greek letter fraternity, sort of an honorary fraternity of newspaper editors. We don't have any body exactly like that in Canada although from time to time a lot of the newspaper editors in Canada have met. I don't think there is a formalized editors' association as such.

Mr. Fortier: A question which troubles me, Mr. Chairman, in having read the brief—if I may follow up what Mr. Costello said a few minutes ago. Your Association is not concerned about the editorial quality of newspapers in Canada but who is? Which association?

Mr. Costello: No. Each individual newspaper is concerned and very much concerned and it is the responsibility of that newspaper and the publisher and the editor, and it isn't something that we can sit down, or that we would sit down and decide, "Here is the editorial approach or here is a form of editorial excellence which we should aspire to." There are fine editorial writers in Canada and fine editorial pages being produced and I think these are the standards and guidelines, but it is a responsibility of an individual newspaper.

Mr. Fortier: But not of your Association as a whole?

Mr. Costello: That is a fair statement.

The Chairman: What if one of the member papers is clearly not doing a very good job editorially and because of this it reflects for example on the pursuit of national advertising? Do you still not speak to that paper?

Mr. Costello: I think the last thing that we would be involved in is telling a newspaper

as an Association that you must produce better editorials so that we could sell more national advertising.

The Chairman: Well, I don't think Mr. Costello is referring entirely to editorials. If I asked you, or the members of your executive, to say which in this country are the good papers, and which are the bad papers, and which are the mediocre papers—I am not going to do that—but I am sure you could do it. Does the C.D.N.P.A. do nothing to improve the calibre of the less satisfactory newspapers?

Mr. Costello: I think again this becomes a matter of the individual newspapers and I must say that it is my personal opinion that there have been great advances in Canada in the content—the editorial content and news content and professional production of newspapers, and new standards have been set in the last five years, or last ten years, and they have been set by the major newspapers and from my study of newspapers all down the line there has been an improvement because the standards in Canada are higher.

Senator Prowse: But what are the standards?

Mr. Costello: Is there a better way to do this? Do we police newspapers and suggest your news and editorial content is not good? Do we police this and say that you are letting the Association down? The answer to that is no we don't, but the broader answer is that the newspapers are improving and I hope there is not going to be any argument to that.

Senator Macdonald: Mr. Chairman, I noticed that one of the objects of the Charter of your Association states that you are attempting to elevate the standard newspapers being published in Canada. Does that just mean the technical standards?

Mr. Costello: No, I think that we do have our annual meetings and newspapers publishers of Canada do meet and discuss, formally and informally, the newspapers and I think we learn a great deal from each other. I am not sure what year the Charter was written but I know I wasn't there. I think that that is perhaps a broad term.

Senator Prowse: Your chief job as an association is to improve your ability to do business, isn't it?

Mr. Costello: I think that is pretty close to the rule. It is the sales and research organiza-

tion and it has been involved in other things but that certainly is a strong function of C.D.N.P.A.

Senator Prowse: And you are not into the area which I imagine you would say was the publisher's business deciding what kind of paper is put out and whether they should do more or less news or something like that. That is left to the individual publisher?

Mr. Costello: Exactly.

The Chairman: Senator Macdonald, do you wish to go on with your line of questioning?

Senator Macdonald: No.

The Chairman: Senator Smith?

Senator Smith: Yes Mr. Chairman I would like to ask a question on the question of annual meetings. Are these annual meetings ever open to the press themselves to report, or the radio or television as are the manufacturers' association for example?

Mr. Costello: I think that question has been asked in print on one or two occasions. I think Senator Nichol asked that in a column not long ago. He attended in Harrison Hot Springs when there was a meeting of the directors of C.D.N.P.A. and he apparently was concerned that this to all intents and purposes was a closed meeting and he said that the publishers apparently don't believe in giving themselves very much ink. I think that is correct. It has been the background. Publishers are apparently a shy lot or believe that they don't make news. They also deal with a great many basic things such as ink and newsprint, which are not in the public interest, but I think it is nevertheless a valid question and we could, now that the point has been raised, we could consider putting on a public show and discuss newspapers in the classroom and a great many other things. One of our problems is that we are competitive—we are a competitive association and we are in very difficult trouble with radio and television, and as we are a sales organization there are certain meetings which will never be open.

One of the things we ought to do is make enough money to stay in business to pay the reporters who tell us in our newspapers that we should open our meetings.

Senator Smith: Mr. Chairman, in the first place I am sorry I don't read my colleague's column every day.

Mr. Costello: Yes, I understand he doesn't have a very large readership.

Senator Smith: I understand he does.

The Chairman: He is not a member of the committee.

Senator Smith: This thought has occurred to me and I was thinking in terms of the meetings of the Canadian Pulp and Paper Association and they seem to benefit to some extent—quite a large extent possibly—but by having the light thrown on their open meeting they are continuing to bring to the public's attention their great importance in the economic structure. It is important and it's good that the people should understand it. You have a function and it is a very important function and I would think that you would really welcome some aspects of your deliberations being exposed to all media for selfish reasons, if not for public reasons.

Mr. Costello: Well, we don't do anything for selfish reasons but I think it is a valid point—a valid point has been raised.

The Chairman: Is the annual meeting traditionally closed? Is that always true?

Mr. Costello: I think the annual meetings have in effect been closed meetings.

Senator Prowse: It's just never been open.

Mr. Costello: No one ever opened the door I suppose. What I said earlier about the re-organization of C.D.N.P.A. was started about two and a half years ago and a great many changes have been made, and everything of the past has either been examined or is under examination, and I think the point raised today has been raised once or twice earlier.

Senator Prowse: Mr. Costello, you said a moment ago that you would opposed to a press council, particularly if it was put up by the Government. Would you have any objection to a press council provided it was set up by your association, maybe in areas, by the press themselves?

Mr. Costello: I really think this is one of those questions, because there is a division in our association, that would have to be asked by individual publishers. I should emphasise that my personal reference to a press council and my concern about it is not a reflection of the views of the entire membership. That is a question which undoubtedly will come up as each individual publisher comes here.

The Chairman: I should just mention, Honourable Senators, Mr. Costello will be returning before the Committee as a publisher and we won't let you off that easily on this question at that time.

Mr. Costello: I am sure you won't.

Senator Prowse: He can do it again.

The Chairman: I think that question could be properly raised at that time.

Senator Prowse: I thought this might be a good place to start. There is another question that has been raised. Everybody talks about freedom of the press. Now, to whom does this freedom belong?

Mr. Costello: My interpretation is that it belongs to each and everyone; that is again a broad statement. I think if you want to publish a newspaper and if it is a two-sheet paper which you mimeograph, I think you have the right to do that. I think that we have a strong country as long as you have that right. As long as someone doesn't take it away from you, or as long as someone doesn't dictate that this person or this group may, and this person may not publish a newspaper, but I think it belongs to everyone in a free society.

Senator Prowse: Now, to publish a paper or to run a radio station or a television station requires very large amounts of money to be concentrated in the hands to get equipment today. Just from a practical point of view, everybody in Canada is not going to be able to publish a paper as such, or to run a television station or a radio station, so would it be correct to say that properly a person who finds himself in a position where he is publishing a paper or running a radio or television station exercises his right in trust for the society that he serves? In other words, it is not a personal right that goes to a man just because he happens to have the paper, but then he becomes a social institution and he exercises his right to publish on behalf of the public.

Mr. Costello: Well, I think that sounds very good and I think it could be argued from either side. I think I might be inclined to take either side on that one but I happen to believe that a person does have a right when he publishes and I don't think he has a right to be irresponsible. He has a right to be responsible and to publish a good paper and publish that paper in the community but I

honestly believe that it's not only a few people who have this right, I think you have it and I personally do not subscribe to the old belief that it has now become financially impossible for people to establish, set up and start a newspaper. This has changed very much in recent years and I wish I could remember the number of so-called underground newspapers which were started in the United States last year. It seems to me there were four to five hundred, and perhaps ten of these, or perhaps fifty of them will come above ground. I really don't know what the term underground means, but newspapers are started as a weekly and they become dailies. My own personal feeling is that any individual has an opportunity and a right to publish.

Senator Macdonald: Mr. Chairman, there may be some confusion here in the terms. Earlier, I understood the freedom that you mentioned was just an extension of the freedom of speech—not the freedom to publish a paper, I don't think there is any doubt about that. It's what you publish in the paper, isn't that what you mean?

The Chairman: Would you put the question again, Senator, please?

Senator Macdonald: Yes. Just what do you mean by the freedom of the press? I always understood that the freedom of the press was the freedom of the press to publish news stories and things like that, which is an extension of the freedom of speech of the individual.

The Chairman: Correct.

Senator Macdonald: I take it from the discussion going on between you and Senator Prowse that you are saying that the freedom of the press is the freedom to publish a newspaper.

Senator Smith: Economically.

Senator Macdonald: I don't think there was ever any dispute, was there, that you could publish a paper and you could finance it, but it is what is in the paper that constitutes freedom of the press.

The Chairman: Well, I think you are both saying the same thing really. I think that you both agree on freedom of the press and I think the discussion between Senator Prowse and Mr. Costello was on the freedom of the individual to start publishing. I think we are all agreed that he can.

Mr. Costello: I think also there was a suggestion implied in the question that there also was a responsibility which the publisher of a newspaper assumed, perhaps on behalf of the community in which he publishes. I think that responsibility is there. I think it is recognized by—I hope by all persons or the vast majority of them.

The Chairman: Senator Macdonald?

Senator Macdonald: Just another question on the freedom of the press. I noticed in your brief, on page 3, that your Association supports the continuing efforts for freedom of the press in Canada. Do I take it from that that you claim there is no freedom of the press now?

Mr. Costello: Well, I hope there is freedom of the press in Canada. I hope there is freedom of the press and I hope it is going to be maintained. The continuing efforts for freedom of the press in Canada—we are certainly hoping we will maintain that.

Senator Macdonald: You are saying that we have that now but you want to protect it. It's not that you are trying to get freedom of the press. Is that correct?

Mr. Costello: Well, again I think you will be enlightened by some individual newspaper publishers and some members of our Association who believe that there already has been an infringement on the freedom of the press in Canada. This is not the official position of the Publishers' Association, nor of Ralph Costello.

Senator Macdonald: But it is in your brief.

Mr. Costello: What is that?

Senator Macdonald: You are saying that you support the continuing efforts...

Mr. Costello: Yes, for the freedom of the press in Canada. The phrasing may not be the greatest in the world but what it means is that we want to see the continuation of the freedom of the press in Canada, but there are individual newspaper publishers in Canada who believe that we do not now have freedom of the press in every respect. That is related to Section 12A of the Income Tax Act or 12B or something like that.

Senator Everett: Could Mr. Costello enlarge on Section 12B?

Mr. Costello: Well, about four years ago the Government of Canada enacted legislation

which made it less attractive for residents of a foreign country to own and publish a newspaper in Canada, by making use of the Income Tax Act. There were publishers at that time who held that this was an infringement of freedom of the press in Canada and still maintain this position, and I think rightly that they will state their position individually during the course of these hearings.

Senator Everett: Is this the official view of the C.D.N.P.A.?

Mr. Costello: No. Certainly, there is a division and there always has been; but the C.D.N.P.A. at that time took a stand that if the Government of Canada in its wisdom wanted to protect Canadian ownership, there was a better way of doing it. If you are familiar with the background—perhaps some of you Senators are because I understand from the newspapers that you have been on a crash course—at that time the Publishers' Association asked for an opportunity to make proposals and the legislation went through before the publishers' association had an opportunity to make those proposals. There was agreement that the legislation as such was not the most desirable way of doing it, if there was any desirable way.

The Chairman: Notwithstanding that fact, you don't have a position on the legislation now?

Mr. Costello: The position—it's not an active position. The last position taken was that the Government of Canada was going to take action to preserve Canadian ownership—they should have done it some other way.

The Chairman: Does the Association have an attitude toward the Canadian ownership of the media?

Mr. Costello: No. It is a divided position.

Senator Sparrow: Does the witness have an opinion on it?

Mr. Costello: The witness is here as President of an Association which is divided and the witness will be back next Tuesday wearing his other hat.

The Chairman: I think, Senator Sparrow, that is a satisfactory answer. I think it is a fair question but I think it should be put at another time.

Senator Macdonald: Mr. Chairman, I wonder if I could ask one more question. I

was wondering if the witness had any views on the so-called hate literature legislation that is proposed, whether there is any infringement on the freedom of the press?

Mr. Costello: The so-called hate literature...

Senator Macdonald: I think the witness is not familiar with this piece of legislation.

The Chairman: He says he is not, Senator Macdonald.

Senator Everett: I wonder if I might ask Mr. Auger, Mr. Chairman, on page 4 of the brief, item 20, it says that the C.D.N.P.A. compiles a directory of advertising agencies. May I ask what requirements have to be fulfilled by the advertising agencies to be included in that list?

Mr. Auger: Well, I think this is just a directory of those agencies which are enfranchised from year to year to do business within the terms of the franchise which we were discussing earlier. To list the personnel within those agencies for the information of our salesmen who are calling on them from day to day, to be acquainted with people we hope to do business with.

Senator Everett: If you weren't enfranchised by the C.D.N.P.A. wouldn't it be difficult to collect your 15 per cent commission?

Mr. Auger: That would be a matter of the relationship between individual newspaper and a person who sets himself up as an enfranchised advertising agent. As Mr. Gratton said, from time to time newspapers have agreed to grant commissions to a small fellow, in their own community usually, who is eager to get into the business and doesn't have the financial resources to seek this national recognition.

Senator Everett: But if the agency is not enfranchised or—let me put it another way. If an agency is enfranchised then any newspaper will pay the 15 per cent commission, is that correct?

Mr. Auger: Yes.

The Chairman: They must pay it.

Mr. Auger: That has been the practice.

Senator Everett: They must pay it?

Mr. Auger: No, I don't think there is any coercion.

The Chairman: You don't have to pay it then?

Mr. Auger: No. Each paper is still free to do business or turn it down with anybody, agency or individual.

Senator Everett: So that it is rather important then to be included in this list?

Mr. Auger: The agency himself applies for that recognition and if he fulfills the qualifications that are laid down in the franchise he gets it.

Senator Everett: What are the qualifications?

Mr. Auger: Financial status based on the spread of business he intends to do. That is pretty broadly described in this material that has been submitted.

Senator Everett: But it's just financial status?

Mr. Auger: Yes.

Senator Everett: If I come along with a triple A1 credit rating from Dun and Bradstreet and say that I want to be an advertising agency and I write the C.D.N.P.A., I would be enfranchised as an advertising agency?

Mr. Auger: No, I think you would be asked who are your clients, what nature of business do you intend to carry out, and who do you represent as an advertising agency and so on.

Senator Everett: Let's assume I want to go into the business and I can't very well get the clients unless I can get my 15 per cent. How would I get on to the list?

Mr. Auger: Well, many people have got into the business before they got the recognition; the larger agencies that exist today started out in a small way without the recognition. One of the notable ones was the Foster Agency which is one of the largest and best known agencies in Canada today; for quite a period of time Red Foster was operating in a small way and didn't have advertising agency recognition from the newspapers.

Senator Everett: So where would his income come from?

Mr. Auger: Well, at that time it would come from his business with radio stations. He was operating virtually on radio advertising and gradually expanded into the newspaper medium.

Senator Everett: When did you decide that Mr. Foster should get into the club?

Mr. Auger: I am not sure that I was as close to the picture as I am now but I believe it was when he applied for recognition and fulfilled the basic requirements.

Senator Everett: But you say the basic requirements are only those of financial responsibility?

Mr. Costello: Mr. Chairman, there are more requirements than that. There is a five or seven page document which has been submitted to this Committee. It was requested so that the Committee would be fully back-grounded on the requirements of the franchise and I think there is another general term which applies in this case. The advertising agency is paid 15 per cent commission for performing a professional service, a professional service for the development of advertising, and doing this in a professional manner so the agency in the past has been expected to be competent to provide this service and earn a fee.

Senator Everett: You pay that fee only on nationally rated advertising, is that correct?

Mr. Costello: That is correct.

Senator Everett: Can you tell me generally what the difference is between the cost of national advertising and the cost of retail advertising?

Mr. Costello: Frankly, I am not sure—the office may know but apparently there is not a general average because each individual paper again sets its own rates.

Senator Everett: Would it be roughly 20 per cent, 25 per cent?

Mr. Costello: I think it would be—it would vary. It might be 10 per cent, it might be 20 per cent, or it might be 15.

Senator Everett: What is the justification for the difference in rates between retail advertising and national advertising?

Mr. Costello: I think again this is something that the individual newspapers will state their views on, but the position that has been taken is that a higher rate is charged because the national advertiser is reaching 100 per cent of the market which he attempts to reach. The so-called retail advertiser may reach 50 per cent, he may reach 30 per cent because of the location and his place of busi-

ness, and the amount of business which he could anticipate from the advertising.

Another position taken on this is that there is this 15 per cent fee which must come from some source and it must be paid to the agency which has performed a professional service and I think that many of the newspapers have adopted the position that therefore this should be paid for the product delivered.

The Chairman: Surely a retail advertiser is interested in 100 per cent of the newspaper's coverage area?

Mr. Costello: We would be very happy if we could provide that for him and we might charge higher rates if we so did. But, if his store is located in the west side of the city and it is a large city he is not normally going to receive the same benefits from the advertising that a national advertiser who is aiming at 100 per cent of the market is going to receive. This is the position and I am not projecting it as the greatest argument in the world. It is the position of the past which has been taken by individual newspapers.

Senator Everett: This isn't a debate. We are merely trying to receive some information.

Mr. Costello: Yes.

Mr. Gilbert: Mr. Chairman, as you know we are the only French language newspaper in Ontario. Therefore, we go as far as Elliott Lake and further on. Well, you take the local advertiser in Ottawa—how can he write business in Elliott Lake or that far? This is the reason—because the national advertiser certainly gets his readers even in Elliott Lake. He gets them in Elliott Lake or Sudbury while in Ottawa the local merchant cannot.

Senator Everett: Then, do you differentiate between the local advertiser who wants to reach the whole market as many do—do you differentiate him from the local advertiser who doesn't or can't?

Mr. Costello: Well, if you receive them and you study them you are going to find a great variance in newspaper service. There is no set formula in this area. There is no set formula in this area for newspapers across Canada.

Senator Everett: No, but it would indicate the reason given for the difference between the national rate and local rates. That isn't the real reason because there should be a separate rate for people who want to use the whole market.

Mr. Costello: Well, that may be your interpretation.

Mr. Gilbert: Another point as well. The volume of business sort by local advertisers is like in any other business. When a chap comes to you and buys a million lines a year he is asking for a rebate in price and that is what he gets. Now, referring to your question of what about the retailer who has a feeling that he needs more of our circulation and that he profits more by it—well, in our paper we have three rates. We have the national rate, we have the retail rate, and we have another rate. We include in the retail rate the chain stores which operate different stores in the locality, for instance Steinbergs—so that we have three rates, so that we have a strong feeling that these three kinds of advertisers profit differently from the advertising put in the paper. This is a personal point of view but that is exactly what happens in our paper.

Senator Everett: I notice that many papers have a political rate. What is the justification for that?

Mr. Costello: Well, again, I don't think that many newspapers have a political rate. I think that in the past many newspapers have had a political rate but I am not familiar with what individual newspapers have done. There has been—again, this is no official position of the Association, but the position has been taken by some newspapers in the past that this is a hazardous type of advertising and therefore should be at a premium. I don't know if that is the reason other newspapers will give...

Senator McElman: Hazardous in what sense?

Mr. Costello: Hazardous in that sometimes it is difficult to find the people to pay their bills. Again, this is something from the past and is not something from the current newspaper philosophy.

Senator Everett: I wanted to ask Mr. Auger if he felt that the 15 per cent payment to advertising agencies who have been franchised by the C.D.N.P.A. is the right way to do it. Would you not feel happier if you could discontinue this method of payment?

Mr. Auger: It's been a satisfactory method of doing business over the years. Historically it started out that the advertising agent was strictly an agent of the newspaper; he bought space in the newspapers across the country and contracted to take so much space throughout the year, then he spent the year

peddling it or retailing it to a number of advertisers. The gross amount of space that he used was the accumulation of smaller national advertising accounts. In some years, he was unable to sell all the space he contracted for and he operated at a loss. The 15 per cent commission was set up to give him a uniformity of income and it has worked out quite satisfactorily. I think it's worked out quite satisfactorily for both the newspapers and the advertising agencies. Of course, there have been times when the agencies have suggested that they would like to see their rate increased and I think that's been resisted successfully by the newspapers, and they would probably be happier if the rate could be reduced. The advertising agencies do perform an extremely useful service in marketing through the country and they have done this within the revenue available from the 15 per cent.

The Chairman: Mr. Fortier?

Mr. Fortier: If I may, Senator Macdonald read the first sentence in paragraph 15d of the Association's brief and I would like to read the second sentence and ask Mr. Costello a question. "The C.D.N.P.A. freedom of the press committee, in co-operation with other groups throughout the free world, continues to be a 'watchdog' on all matters involving freedom of the press."

Could Mr. Costello give us examples of situations say in the last two years where the C.D.N.P.A. freedom of the press committee has exercised this watchdog power?

Mr. Costello: Actually again, it is an information service that report to the members on areas in the world where freedom of the press apparently is suffering under some sort of censorship or Government legislation.

Mr. Fortier: But not here in Canada?

Mr. Costello: No. I don't think there has been any action. Is that correct?

Mr. Clyde H. McDonald: No, there has been no action.

Mr. Fortier: Coming back to the questions with regard to advertising, Mr. Costello, is there a C.D.N.P.A. code of advertising ethics? Does that exist?

Mr. Costello: I think the Canadian Code of advertising ethics—this Canadian advertising advisory board code to which all newspapers and magazines and advertising agencies I believe subscribe.

Mr. Fortier: But is it not put out by your Association?

Mr. Costello: No.

The Chairman: It is put out by the advertisers I understand?

Mr. Costello: No, the CAAB is supported very strongly by the newspaper publishers.

Mr. Fortier: On another subject altogether, does the C.D.N.P.A. ever lend aid of any kind to a publisher who faces strike action?

Mr. Costello: No, there is no involvement.

Mr. Fortier: You spoke of some 16 or 17 poor Thomson newspapers earlier that have not joined the Association.

The Chairman: I think there were 11. I think there were 17 papers who do not belong to the Association, 11 of which were Thomson papers.

Mr. Fortier: Thank you, Mr. Chairman.

Mr. Costello: I would not refer to them as poor Thomson newspapers.

The Chairman: No, the witness did not refer to them as being poor.

Mr. Fortier: Yes, the adjective was mine. Mr. Costello, you referred to your fee structure on page 2 where it says "Fees for newspaper membership are based on the audited circulation of the newspaper." Could you give us examples say, for a paper with a circulation of 25,000? What would be the fee for such a paper?

Mr. Costello: I think we had better refer to the fee structure.

The Chairman: The fee structure will be at hand in just a moment.

Mr. Costello: The newspaper of 25,000 circulation, the annual fees would be—we brought the files from 1872 on—for a newspaper of 25,000 circulation the annual fee would be \$949.83.

Mr. Fortier: Is that a chart or scale which increases or decreases on a regular basis or does it vary substantially with circulation. Can you give us an example for a newspaper with a circulation of 50,000 please?

Mr. Costello: \$1,681.47.

Mr. Fortier: Well, it's almost double? Double circulation, double fee?

Mr. Costello: Well, it's more complicated than that.

Mr. Fortier: On page 5 of your brief, item 24L you say "The C.D.N.P.A. is investigating the possibility of developing a computerized ordering and billing operation."

Is the Committee to understand that this is a central system that is envisaged?

Mr. Costello: A central system which is being explored.

Senator Prowse: Would that be for ads or for what?

Mr. Costello: Yes, advertising.

Mr. Fortier: If I may ask one last question, Mr. Chairman. Mr. Costello, you said earlier in your remarks that your association grouped publishers and editors. You will recall that in the guidelines which were sent to you a few months ago—to your Association—the Committee asked for possible representatives from both the editorial and publishing side of newspapers and other associations. Is there any reason why there are only publishers representing the Association here today?

Mr. Costello: No, but quite frankly it was my opinion and I think the opinion would be shared by, I hope by almost everyone, that those guidelines were set up for individual newspapers and C.D.N.P.A. did not interpret them as being specific guidelines for the Association. Now, as to the availability of an editor, if you want to consider me an editor you may do so.

Mr. Fortier: What percentage of editors and publishers are there in your association?

Mr. Costello: The editors are not a large portion of the Association.

Senator McElman: Mr. Chairman, although I understand that there aren't any real policy decisions reached at the annual meetings of the C.D.N.P.A. there surely would be discussions. As an example, if a discussion led the Association members to believe that there was real danger to Canadian unity, would there be a consensus reached and perhaps not a recommendation but a suggestion go forth to members that perhaps they had a responsibility to assist in enhancing Canadian unity?

Mr. Costello: Is that something that the newspapers of Canada and this Association might discuss and might come to some con-

clusions at an annual meeting? I frankly doubt it very much. I think those discussions would take place informally among the publishers, perhaps at the time of the annual meeting. I do not see that type of discussion evolving. Again, if Canada is faced with this type of problem, I can't predict what is going to take place at the next annual meeting. I don't think it's been a prime function of the C.D.N.P.A.

Senator McElman: I was wondering if there was encouragement on occasions in matters of real national interest, encouragement of member papers to move in a given direction?

Mr. Costello: No.

Senator McElman: The other question I would like to ask, Mr. Chairman, is on the discussion that I think is current in the whole of North America with respect to the press, and it's on the principle of access. Perhaps it is more relevant in the United States currently than it is here. If one side of a given burning public question is widely aired, and so far in the States this has been given more emphasis for broadcast, what is the right of access to those who are proponents of the other side of the question? Is this a matter that has been discussed thus far?

Mr. Costello: I think again it's a matter of individual newspapers. I think the record in Canada is extremely good and this access to rebuttal or dissent is there. It is available and it is encouraged and it is encouraged by, I think, every group or every newspaper in Canada, but certainly the vast majority of them.

Senator McElman: Encouraged in what way?

Mr. Costello: In any way. If for instance there is something in our own province and you did not for some reason agree with the newspapers, I think you would be encouraged to submit a letter to the editor and we would be delighted to publish it.

Senator McElman: But are there other avenues than letters to the editors?

Mr. Costello: Of course there are because we as a newspaper, and newspapers all over North America, and very much in Canada, do explore both sides and do search out both sides of every issue.

Senator Prowse: This is not a concern of your organization?

Mr. Costello: No, but it's a great concern of the people who make the Association.

The Chairman: I would like to ask Mr. Costello a question if I might. You referred earlier to the underground press and you rather amazed me by the fact that you didn't know what the underground press was. You said there were three or four hundred underground papers in the United States. I am sure you know that there are a number of underground newspapers in Canada, and I would like to ask you why you think these underground papers are being published and why they have started?

Mr. Costello: Well, I think I should clarify my original remarks and perhaps it was one of those facetious remarks...

The Chairman: Well, I don't mean that it was.

Mr. Costello: No, no, but I mean that it did not come off or they do not come off when I make them. I don't know whether these newspapers are published literally underground, or where they are published but I am familiar with them and I think in a free society there is this opportunity to publish, and if the so-called underground newspaper can publish and stay out of jail related to the laws of libel, well and good. Why have they emerged? Again, as a personal opinion there is a great vocal uprising of the youth of our country and of North America and there is a great dissenting voice and this is an expression of opinion from these people. I think they are entitled to make it

The Chairman: Well, shouldn't that dissent be reflected in the newspapers?

Mr. Costello: Well, I think perhaps you are familiar with some of the underground newspapers and some of the articles which appear. No, we have no place for their terms and their phrasing and their language in the press of Canada, or North America as we know it. Do you mean is the press of Canada or North America somehow failing so there has to be this other expression of opinion? I wouldn't consider it a failure. As I said, I think they are entitled to do this, to publish their own newspaper.

The Chairman: Well, in the course of the Committee's preparation a number of us have read the underground press quite extensively and I certainly take your point that there are articles that would be difficult to reprint or to

publish in a "family newspaper." On the other hand I think it is quite misleading if we allow ourselves to believe that the underground press consists mainly of obscenities, news about drugs. I think there are many other meaningful articles as well.

Mr. Costello: Correct.

The Chairman: Well, is it not possible that there is an area of dissent to which the press of Canada is not paying sufficient attention?

Mr. Costello: Well, I think if this is the case then the underground press becomes a part of the press of Canada.

The Chairman: Well, has that happened?

Mr. Costello: I don't think it's happened as yet. I think in some areas the underground press so called may be making a contribution to the press, or eventually it may be making a contribution.

The Chairman: Do you think it will ever be a commercial threat to the daily newspapers?

Mr. Costello: I don't know, I haven't the slightest idea. I would have no objection if it were. It would have to be performing a needed service presumably.

The Chairman: But you don't think it is?

Mr. Costello: I didn't say that but I think that this would—if it is performing a needed service its possibilities as a commercial operation would become much greater. If there is a more responsible and less responsible so called underground press, presumably the more responsible underground press will come above ground and become part of the press of the future. If that happens, then it will be performing a service and that would be fine.

Senator Sparrow: Does your Association foresee any danger of the ownership and control of the press falling into fewer hands than it is at the moment?

Mr. Costello: Well, the Association, Senators, is made up of individual newspaper owners and group owners and as such it is not in a very good position to take a stand, or has not taken any united stand about group ownership or the hazards of group ownership—if there are hazards.

Senator Prowse: You are not likely to get unanimous opinion about it?

Mr. Costello: Not overwhelming, no.

The Chairman: May I ask Mr. McDonald a question. Mr. McDonald, to my own knowledge, is perhaps in all of Canada one of the most expert people when it comes to audience measurement. He has had a solid background in measuring radio audiences and television audiences and now he is measuring newspaper readership. I am wondering if I might ask him therefore to compare the techniques used in measuring readership, particularly as they relate to selling advertising, as compared to the measurements used for measuring radio and television audiences. For example, some of the Senators for the first time saw circulation figures applied to radio and television, so in asking the question, Mr. McDonald, we are particularly interested today in newspapers. You shouldn't feel that you should confine your answer but I would like you to contrast it to radio and television?

Mr. McDonald: Senator Davey, before I answer that perhaps I could express what the prime function of measurement has to be; you can liken it, I think, to an automobile manufacturer, or a food manufacturer who is attempting to display the value of his product to his potential purchasers.

In this case, the programme of research which the C.D.N.P.A. carries out is simply that; to attempt to bring to the fore and show the advertiser how the daily newspaper will benefit him in his search for customers to move his products.

Now, as to the methods of audience measurement, it is almost impossible to compare them. This is because we are measuring totally different entities. On the one hand you are measuring the print medium, and on the other hand you are measuring something that goes in the flow of time. The concepts are quite different although we may use the same word. We use the term "flow" and frequency of observation and these are quite different terms. I fully believe that eventually the measurement of the audience of the media will become quite secondary to the measurement of its effectiveness in terms of communication of a message. Broadcast audience measurement techniques are fundamentally the same, meaning that they simply infer the contact of a respondent who supplies the researcher with certain information.

The degrees of validity of these techniques are simply almost unestablishable as there is no way of establishing finally whether one technique is better than another. The only thing you can do really is assess the degree of

difficulty for the respondent to reply to questioning and in print I would maintain that there is less onus on the respondent to respond, to give an accurate reflection of his habits, as opposed to broadcasting. I wouldn't want to criticize broadcasting techniques. I think that perhaps in doing that I would tend to criticize all market research.

Senator Smith: Coming back to the subject which has been given quite a bit of attention here, and I think that Mr. Costello will recognize that we regard it just as importantly as he does, and that is freedom of the press. Could I assume that your answer to a question from one of my colleagues here regarding the policy of the Association on editorials with regard to subjects which might tend to break up the country rather than to foster national unity is based on the concept of freedom of the press? You answered that you had no policy. I am thinking in terms of—and this is the very remote possibility—perhaps some day the Vancouver Province might say to themselves, let's separate from Canada and join the west. There has been some threat of that kind done half jokingly and I think with some serious thoughts in the minds of a few people—but I suppose it is because, or am I right in assuming that it is because of the basic freedom of the press that you could not, as an Association, criticize the publisher of a newspaper for advocating separatism?

Mr. Costello: We could not and we would not. If we started to have a central organization who decides what is going to take place, then there is the danger you are referring to. No, this is not the function of the Association.

The Chairman: Perhaps the publisher of the Vancouver Province would like to answer you?

Senator Smith: Oh, I was just being facetious.

Mr. Auger: Well, Senator, you are wrong. BC would not join the United States, we would ask the United States to join us. I am sorry that there is no representation on your Committee from British Columbia who could speak as warmly of my newspaper as the Honourable Senator Smith has been able to speak of Mr. Costello's. But be that as it may I would just underline again that the greatest area in which controversy or conversation, or discussion goes on between newspapers is not within the context of this Association, but within the context of our own editorial columns. We read these quite avidly, each of

the other. Most of us circulate our editorial pages to a large number of newspapers across the country and we read the others as eagerly and with as much interest as we do our own. I think that is the area where something like you describe is given a fair discussion in the realm of newspaper editing.

The Chairman: There are members on the Committee, Mr. Auger, who can speak glowingly of the papers, but I can speak glowingly of you. I know you have sold advertising for Senator Everett and I think the worst mistake you ever made was in 1946 when you hired me. Is that not correct?

Mr. Auger: Yes.

Senator Smith: There has been some evidence, and I think it's come out over some years, of influence in the programming for broadcasting both in Canada and in the United States. I think it is pretty well understood—I don't know whether this is something that can be proven, but one of the points is that the CBC hesitated over the timing of a certain broadcast because at the same time the question of auto safety was making the headlines. We all know that a large amount of revenue for example comes from the automobile industry and therefore those of us who are innocent would guess that there was advertiser influence in the background, perhaps even unspoken. Are you conscious of advertiser influence in the operation of daily newspapers in this country? This is in regard to the editorial content?

Mr. Costello: As an individual publisher, no, and I think the answer will be the same from every individual newspaper publisher that sits here.

Senator Smith: What brought this to my mind in the course of reading a great deal on a lot of subjects, was a quote which I ran across in, I think, the Globe and Mail. This was a quote from the former president of the T. Eaton Company who, when questioned as to whether a big advertiser influenced the content of a newspaper replied, "Why not?"

Mr. Costello: What former president and what year did he say it?

Senator Smith: John David Eaton.

Mr. Costello: What year was that quote made?

Senator Smith: Well, it was John David Eaton and I just don't have the year.

Mr. Costello: Well, I think the year would be very important there—it might have been made back in the 1920's.

The Chairman: No, it was just a recent quote.

Senator Smith: I think it is quite a commentary that the CBC should be strongly suspect of letting those who advertise influence the programming, perhaps rather in an innocuous manner in delaying a programme.

Mr. Costello: I must come to the CBC hearing.

The Chairman: Well, the CBC will be at a hearing in the Spring and we would welcome you back.

Senator Everett: This freedom of the press committee, did it take any stand on Section 12B of the Income Tax Act?

Mr. Costello: The Association as a whole made representations to the Government at that time and the representation—and this is from memory, but I am sure it is correct—was that if the Government insisted on proceeding, it should not proceed on the terms of the Income tax Act. There were meetings with the Prime Minister and others at that time and those who were in the meeting left the meeting with the understanding that the C.D.N.P.A. would have an opportunity to make some type of a counter proposal and I believe the Prime Minister at that time said "We believe very strongly in this but if there is a better way, tell us." The delegates from the C.D.N.P.A. left the meeting with the understanding in their own minds that they would have an opportunity to meet and discuss the proposal, and to come back with some other suggestions which would achieve the same purpose—that is the protection of Canadian ownership that the Government was determined to go ahead with. That was the stand taken by the Association as a whole.

Senator Everett: So the Association didn't view restrictions on ownership as restrictions on the freedom of the press. They disagreed with the method the Government proposed to employ?

Mr. Costello: Yes, they agreed to disagree on this point but within the Association there were individual members, and I think the Association was quite split, members who felt that at any cost the newspapers of Canada should be owned by Canadians and those who

believed just as strongly at any cost, that anyone should be able to come to Canada and without restrictions publish a daily newspaper.

Senator Everett: I wonder if we might assume something for a moment. Suppose the Government decided that the position of newspapers in most communities was one of fair dominance and that there was a very minimal restriction on the rates that newspapers could charge for advertising and circulation. Suppose the Government said, We are going to view these newspapers, for financial reasons only, as a utility, and we are going to require newspaper publishers to appear before a utility board to justify their rates. Now, this board in no way would interfere in editorial content and in editorial terms the freedom of the press would be completely preserved. Would you tell me the view of your Association?

Mr. Costello: Well, I can give you my own view; I can't give you the view of the Association because the Association would never expect that any Government would do this, nor would I. I think that there would be pressure available through the Government and I think that the editorial freedom of that newspaper would be affected, and would be affected very seriously. I think that the place where the determination of advertising rates should take place is in the marketplace. If the newspaper is not performing its function then another newspaper is going to come in. That is my view and I don't subscribe to the position that it is impossible for a newspaper to be established in any community, that the newspaper in that community is irresponsible or taking advantage of the position of monopoly.

Senator Everett: Let's assume for the moment that in the compiling of this block of advertising agencies who are entitled to be recognized under your franchise, one of these advertising agencies that would be excluded, complains to the Department of Consumer Affairs. Just suppose that the Department of Consumer Affairs says that this was a conspiracy to exclude somebody from doing business. What would be the attitude of the Association under those circumstances?

Mr. Costello: I think that would be the responsibility of the newspaper so accused. If there was a conspiracy, I think that the laws are there to deal with it.

Senator Everett: Well, if the laws were to prevent the newspapers of Canada from coming together under an association to decide who is and who is not an advertising agency, are you saying that you wouldn't then be opposed to such a law?

Mr. Costello: Your original assumption was that of an individual newspaper?

Senator Everett: No, no. What I was assuming was that—as I understand it the Association compiles a list of recognized advertisers?

Mr. Costello: Right.

Senator Everett: By its very nature it must exclude certain people who in their own mind view themselves as advertising agencies.

Mr. Costello: Yes.

Senator Everett: If this were viewed by the law as a conspiracy—in other words the Association were prevented from doing this—what would your view be? Would that be any restriction of the press?

Mr. Costello: Well, not if a conspiracy exists under the law. Again, this is a personal answer to an assumption you are making but if you are saying could newspapers be permitted to conspire, if that is the question, no one should be permitted to conspire. Of course, our position is that there is no such conspiracy.

Mr. Fortier: Mr. Costello, at the time of the debate on Section 12a of the Income Tax Act you said you were asked by the Prime Minister of the day, or the Finance Minister of the day, for some alternative suggestions to the tax on advertising. Have you had a chance to consider alternative suggestions?

Mr. Costello: Actually, there was no immediate alternative suggestion available and the C.D.N.P.A. did not believe that there was any simple alternative proposal, but there were last minute meetings and at the final meeting with the Prime Minister, and I believe the Honourable Paul Martin, the delegation from the C.D.N.P.A. left under the understanding that there would be time to explore the possibility of some other proposal and come back to the Government. I think it was within two or three days the legislation was introduced and went through the House quickly. The background on that was that the Association considered for some time whether it should pursue this matter and has not done so.

Mr. Fortier: So, would it be a fair question for me to ask whether you have as an Association alternative suggestions today?

Mr. Costello: No, none has been brought forth.

The Chairman: We expect to have Mr. Pearson as a witness before our Committee in the Spring so we will ask him why he didn't follow through on his promise.

Mr. Costello: Well, I think we had better be very clear on the statement made by the witness. The statement was that the delegation left a meeting under the impression that there would be this opportunity.

Senator McElman: Coming back to Senator Smith's question on the matter of influence of advertisers, there have been rather extensive studies in the Congress of the United States on the strength of the auto manufacturers' lobbies and safety and so on, and in the course of those hearings it has been revealed not only that this massive and strong lobby is effective with some elements of the media (not restricted to print media in any sense) but also upon some members of Congress. Do you feel that this question has begun to gain some prominence in Canada? Do you feel as an Association thus far that there has been no effect of such a lobby if it exists, and that the member papers of your Association have some inner strength which will prevent any similar effect here in Canada?

Mr. Costello: Well, I think personally that the greatest problem of the lobby is the problem of the Government. I don't see a problem for newspapers. I think that individually, yes, if there is any such lobby for any group of advertisers it would be resisted and rejected.

Senator McElman: And you have seen no evidence, as yet, within Canada?

Mr. Costello: No.

Senator McElman: The second point I wish to come back to, Mr. Chairman, is that of the press council, or equivalent body. Mr. Costello commented quite strongly that he was against such a council if there should be some Government input into such a council. There are councils in existence and have been in existence in some other countries, notably in Great Britain, without any Government input. Would you have the same objection to a council which is self-policing, such as the Canadian Medical Association which supposedly polices itself? Would you have similar

objections to your own press council without any Government person associated with it, or influencing it in any fashion?

Mr. Costello: Well, there are very strong feelings on both sides. The Association has not taken a position but I think that a good number of the individual publishers will wish to speak on that subject and there is no way that the Association could go on record or imply...

Senator McElman: You were speaking as an individual?

Mr. Costello: Well, I was speaking as an individual but I hope I am speaking for the vast number of publishers and I say that there would be great concern if Government became involved in any way with the press council.

Senator Macdonald: Earlier this morning the witness mentioned the term professionalism. I am just wondering what you mean by that term professionalism?

Mr. Costello: Well, Senator, I am not sure about the newspapers which you read but the newspapers I read...

Senator Macdonald: I read the Cape Breton Post and the Halifax Chronicle Herald.

Mr. Costello: If I could say it without embarrassing some of my Maritime friends I would advise you to try some others. The press of Canada has in the last five or ten or fifteen years developed, I believe tremendously. There are more qualified people and the leading metropolitan newspapers, I believe, are so good that they are doing a job in in-depth reporting that magazines used to do and doing it more timely, more effectively. The recent elections in Ontario I think were given great depth of reporting by the major newspapers on a scale that would not have happened just a few years ago. Throughout the industry there have been these improvements which I just assume that everyone is aware of and everyone has recognized.

Senator Macdonald: That is a better, more qualified staff?

Mr. Costello: Yes, and more dedicated publishers who are more concerned about their home communities and their provinces and the country.

Senator Macdonald: Yes, I would agree with that statement. I notice on page 5 of your brief you mentioned that the Association

also maintains close cooperation with schools, universities, civic groups and other organizations interested in knowing about the role of newspapers and a free press in a free society. I am wondering what method do you use, for example, to improve schools and universities and what methods your Association uses?

Mr. Costello: Well, I think the strongest method is the involvement of the newspapers of Canada and the C.D.N.P.A. in promoting the newspaper in the classroom programme which has been growing in recent years. I think we have figures about the number of teachers who attended these programmes but they are now being taught to go back and set up regional programmes within their own community and within their own schools with short term and long range objectives. The objectives are to have more people reading newspapers and it is our belief that they will be better informed and we will have a better country because of it.

Senator Macdonald: Using this as a teaching aid?

Mr. Costello: Yes.

The Chairman: Mr. Costello, a moment ago in answering Senator Macdonald, you referred to the recent Ontario elections; I assume you meant the municipal elections in Toronto?

Mr. Costello: Yes.

The Chairman: I will put this question to you if I might. I was going to put it to the publishers of the Toronto papers when they come but let me put it to you. First of all I agree with you. I think that the background coverage of the municipal elections in Toronto given by the three Toronto daily papers was the most extensive that I could ever recall. However, in fact two per cent fewer people voted than voted three years ago and less than a third of the eligible voters cast their votes. I agree that this is a problem for politicians but isn't it also a problem for the press? Is there anything that the newspapers can do about this?

Mr. Costello: I don't know. I think the people promoting candidates have to get a better calibre of candidate out if they are going to improve. I hope I am permitted to use the short needle around here occasionally.

The Chairman: I will reply by using a long needle. A columnist in the *Telegram*, Dennis Braithwaite, lamenting about this low voter

turnout, talked about this newspaper coverage and said it was very extensive but until the politicians start to use television effectively there won't be a good voter turnout. Would you care to comment on that?

Mr. Costello: Well, this is another indication of the growth of the press in Canada. That a columnist can write and express his own views...

The Chairman: All right, I take that point but let's come back to the other point. Can newspapers not do anything about getting more people out to vote? Must it be left to television?

Mr. Costello: No, I don't think that it must be left to television. I don't think that Mr. Braithwaite is necessarily right in his assumption.

The Chairman: Would you agree with this statement. I agree with you on the coverage given by the Toronto papers and I also note, as I say, there was a lamentably low voter turn out, and I agree quite seriously that it is an enormous problem for politicians. Isn't it also an enormous problem for newspapers?

Mr. Costello: It probably is and I think in this case the Toronto newspapers were attempting to face up to that problem and face up to it more professionally and better than they ever have in the past, but if the newspapers did not bring out the voters, then are the newspapers to blame for doing a much better job than they have ever done in the past? I don't know.

The Chairman: Neither do I.

Mr. Costello: Well, I haven't got that crystal ball.

Senator McElman: We have had some representations from the broadcast area but they are having extreme difficulty in getting professionally trained people. Do you find that the universities are producing for the print medium a high calibre of journalist and is the supply sufficient?

Mr. Costello: I think that a higher calibre of journalist is being produced all across Canada but I don't think the supply is sufficient. I don't think the newspapers across Canada by and large get as many potentially great journalists as they would like to have, but the problem is still there and I think most newspapers have greatly expanded staffs and I think almost at every level there is the

problem of trying to find the person to do the job to satisfy the publisher, and to satisfy the public. The problem is still there, I believe.

Senator McElman: Is the Publishers Association doing anything in concert with the universities to increase either the quality or the quantity?

Mr. Costello: Again, as I suggested in my remarks there is a great deal of encouragement and financial support from individual newspapers in the nature of scholarships and in support of schools of journalism in Canada, and in the United States in an effort to produce better journalists. I don't think we have the figures but a great deal of money goes into such programmes from individual newspapers, and this is not duplicated by the C.D.N.P.A.

Mr. Fortier: Mr. Chairman, I was interested in what Mr. Costello said about promotion earlier in answer to a question from Senator Macdonald. What proportion of your budget is devoted to research and promotion?

Mr. Costello: Research and promotion within C.D.N.P.A.?

Mr. Fortier: Yes.

Mr. Costello: Ten percent for research and promotion. I think you were referring to sales?

Mr. Fortier: I was referring to promotion as defined in paragraph 25M of your brief.

Mr. Costello: Are you talking about newspaper-in-the-classroom programmes?

Mr. Fortier: No, industry wide promotion.

The Chairman: You mean advertising sales promotion?

Mr. Fortier: Yes.

The Chairman: I think, gentlemen, he is referring generally to research and promotion into the advertising agencies.

Mr. Costello: About sixty percent.

Mr. Fortier: Did I hear the figure of 10 percent on research? Let's take them individually, it might be easier for us to follow the answer. It would be 10 percent on research?

Mr. Costello: Yes. On pure research.

Mr. Fortier: On promotion of advertising for the benefit of the members of the Association some 50 percent?

Mr. Costello: Yes.

Mr. Fortier: And may I ask what were your total expenditure in 1968?

Mr. Costello: In the area of \$400,000.

The Chairman: I assume, Honourable Senators, you have no other questions and I have only one other question. Mr. Costello, I would like to ask you about the role and function of the committee on public relations and public service. It is said that the C.D.N.P.A. assists in cooperation with various public service projects. Files are kept on member public relations and public service projects and information and assistance to member newspapers. What does that refer to?

Mr. Costello: Where is that?

The Chairman: I am sorry, it is on the top of page 6. It says the C.D.N.P.A. assists and cooperates with various public service projects. Files are kept on members' public relations and public service projects and information and assistance provided to member newspapers. What does that particular committee do?

Mr. Costello: Well, this is in the internal part of the answer, part of the public relations programme. It is just an exchange of information among the newspapers which might indicate to a newspaper in Calgary how the newspaper in St. John's participates in some community projects which would be of assistance to the community and might be followed up.

The Chairman: Could I ask you, Mr. Costello, how you would define public relations?

Mr. Costello: I think my definition would probably come very close to public service. I think this is the best public relations which can be provided by a newspaper.

The Chairman: Does the C.D.N.P.A. have a public relations programme of its own?

Mr. Costello: We have a public relations committee and a public relations programme which at the moment—I will be corrected if I am not right in this—is very much involved providing the exchange of information among newspapers and newspapers in the classroom—yes, it does come under the public relations committee for that.

The Chairman: Would it be fair to say that the C.D.N.P.A. public relations subcommittee substantially exchanges public service promo-

tion and publicity ideas—it's a clearing house for public relations ideas or public service ideas as between the papers but that the C.D.N.P.A. itself has no public relations programme?

Mr. Costello: It certainly does not have any extensive public relations programme.

Mr. Auger: The C.D.N.P.A. as an Association has never attempted to establish a public image of itself for the public at large.

The Chairman: Do you think maybe it has established a public image of itself notwithstanding that fact?

Mr. Auger: Today, you mean?

The Chairman: No, prior to today?

Mr. Auger: No, I don't think so. I don't think that generally the public across Canada is aware of the Canadian Daily Newspaper Publishers Association.

The Chairman: Do you think they should be?

Mr. Auger: No.

Mr. Costello: No.

The Chairman: No?

Mr. Costello: Well, I think the greatest strength is that the newspaper will do its own public service and public relations.

The Chairman: Well, if there are no further questions, and I am not intending to follow this procedure with all of our witnesses, is there anything you would like to say in closing?

Mr. Costello: Well, I move we adjourn.

The Chairman: I would like on behalf of the Committee to thank Messrs. Costello, Auger, Gratton, McDonald, Gilbert and Hunter. The committee is adjourned.

Senators, we are meeting at 2.30 in this room to hear a brief from the American Newspaper Guild.

Thank you very much.

The committee adjourned.

(Upon resuming at 2.30 p.m.)

The Chairman: Honourable Senators, we might call the meeting to order. This after-

noon we are going to hear from the representatives of the American Newspaper Guild.

Sitting on my immediate right is Mr. Glen Ogilvie, who is the American Guild Vice President for Canada. Mr. Ogilvie has worked on the editorial staff of the Toronto Star for 44 years where he still is a Copy Editor.

He is going to be joined on my immediate left in a moment or two by Mr. Robert J. Rupert, who was the Assistant City Editor of the Ottawa Citizen until 1961 when he joined the Guild as an International Representative. I understand he is on his way and should be arriving shortly. I will not introduce him when he arrives.

The third representative from the Guild is Mr. Gilles Desjarlais, who is with the CBC French News Service in Toronto and is a past President, I gather, of the American Newspaper Guild Local in the CBC. That is the chair at the end of the table.

Mr. Ogilvie, we have received the brief which you were kind enough to prepare in compliance with our request and send in some three weeks in advance. That has been circulated to the Senators on the Committee. Therefore, I think for the purposes of our discussion this afternoon, we can take the brief as read.

I would now give you an opportunity of speaking for 15 minutes if you wish. I will notify you about the 10-minute mark. You may like to summarize your brief, expand upon it, explain it, or indeed say anything else. Then, following the 15 minutes, all of which you may or may not use, we will have a period of questioning from the Senators who will question you on things you say, things you have not said, and things that are in or not in your brief.

Mr. Glen Ogilvie: American Newspaper Guild (Vice President for Canada): Thank you, Senator Davey. Thank you to the full committee on behalf of the American Newspaper Guild—especially the Canadian members—for this opportunity to participate in this series of hearings on the News Media of Canada.

If I may have your indulgence, there are two things I would like to say before I begin any summary of my brief. First is a correction to Paragraph 14 on Page 4 to rectify an inadvertent error in a reference to Canadian Broadcasting Corporation newsmen, beginning with the last two words in the second line on Page 4 which should read "Guild con-

tracts also currently cover Canadian Broadcasting Corporation newsmen, French and English, outside the Province of Quebec" and so forth.

Senator Prowse: I am sorry. What paragraph was that?

Mr. Ogilvie: Paragraph 12 at the top of Page 4 at the end of the second line.

The Chairman: Do you want to read it again?

Mr. Ogilvie: "Guild contracts also currently cover Canadian Broadcasting Corporation newsmen, French and English, outside the Province of Quebec", and then so on.

Mr. Fortier: I am afraid we did not get it at the end.

Mr. Ogilvie: "Guild contracts also currently cover Canadian Broadcasting Corporation newsmen, French and English, outside the Province of Quebec." That is the extent of the change.

Mr. Fortier: Thank you.

Mr. Ogilvie: Secondly, I should like to express my regret and that of the Guild that at this public hearing concerning the mass media and the freedom of the press, all members of the news media are not given equal opportunity to report the proceedings. I know that our members who are broadcast journalists are barred from attending with the tools of the profession, the camera and the taperecorder. They are reporters of ideas with pencils and pads. They have to cover these proceedings by securing interviews and reports suitable for the media in hallways and corridors.

I also should like to express my regret at the lack of translation facilities. The Guild was prepared to present a part of its summary in French, but that seems to be impossible this afternoon.

The American Newspaper Guild is an international industrial union composed primarily of white-collar employees of the newspapers, news magazines, wire and news services broadcasting into Canada, the United States, and Puerto Rico.

Our members include reporters, copy editors, etcetera—men and women often considered to be professionals. Canadian newspapers employing our members under contractually stipulated minimum terms and

conditions account for about 40 percent of the nation's daily newspaper circulation.

At this point we should like to up-date the catalogue of concerns for which the Guild holds certification as an employees bargaining agent. This appears at Paragraph 12 of our brief. We were certified in mid-November for the production assistants at CJOH-TV here in Ottawa. A petition for representation of CJOH-TV news employees is pending and, in fact, is under way.

A high portion of the Guild membership is made up of persons often considered to be professionals. The Guild was in fact founded by professional newsmen. In its earliest years, it restricted its membership to reporters, photographers, etcetera.

Most of the official and unofficial leadership of the Guild continues to come from the ranks of its professional members. We are classified by many as a professional union, which some consider an anomaly for it is certainly a popular prejudice that professionals cannot or should not be organized.

We submit, however, that we cite others more prominent than ourselves in our brief who agree that the degree of professionalism enjoyed by working newsmen today is a direct result of their organization. It took a union, the Guild, to achieve the degree of economic security that exists for employees in our jurisdiction today. It takes economic security to free a man to work in a professional manner in any field. Where there is a Guild contract, newspaper careers have become possible.

The Guild suggests that editorial excellence, the constant honesty of news, and higher standards of journalism to which we pledge ourselves in the Guild, continue only where a competent, well-paid staff is maintained. We submit the best paid newspaper employees in Canada work in cities where there are Guild contracts.

We suggest that one way the Government might contribute to a better press performance is to put more teeth into and improve the enforcement of existing legislation protecting the workers' right to organize for collective bargaining. We submit that any publisher faced with the threat of organization may feel free to tamper with his employees' rights because he knows he need fear little more than a little rap on the knuckles under the law if he is adjudged guilty, often months later. By that time, his improper action in

many cases will have cooled the ardor of his employees for self help through collective bargaining.

Before we begin to sound as though we are suggesting that press performance automatically would merit an A-plus rating if all were working under Guild contracts, we should like to point to the phrase "so far as is possible" in the Guild Constitutional Statement of Purpose. The phrase is important for in the final analysis, it is the publisher who determines how good or how honest a newspaper shall be. Many readers frequently overlook this fact. Then they give what we consider to be unfair criticism of the work done by the newspapermen—Guild members, or non-Guild members.

For instance, the criticism may be "unsophisticated and occasionally inaccurate reporting of complex and specialized subjects." This criticism is unfair to journalists who are not allowed sufficient time to research a subject or enough time on a beat to develop a thorough and sensitive understanding.

The situation is improving in some major newspapers. But too many affluent papers still are operating with skeleton staffs and demanding impossible interpretative, in-depth reporting jobs of junior and over-worked personnel. The executive who makes this sort of demand, without allowing reasonable time for research, is an obstacle to communication and an enemy to the profession.

Too often, however, the reporter is blamed. Our society is becoming increasingly complex. While the day of the all-around reporter has not passed, this is more and more the era of the expert. We should like to see publishers provide for more serious coverage of the fields that demand experts: Science, education, art, housing, medicine, social services, for example.

The police reporter ought to be given the opportunity to explain the causes, rather than simply the occurrence, of a crime.

Labour is big news—and not just when there is a strike. Yet in how many papers is it sensitively reported by even one full-time specialist? It often takes the unpleasantness of a strike to interest the press. The most important information often is what led to a strike, not the fact that it happened. Yet a reporter given an hour or two to develop a Labour story can hardly be expected to provide an analytical insight to the readers.

Today's reporter certainly is better educated and better qualified to meet the challenges of his profession than ever before—if he is given the chance. If today's journalists are to function up to their capabilities, however, the press editors will have to provide new budgets, generous ones, to allow for it. A few do; all should.

In the years the Guild has been functioning in Canada and the United States, we have watched parallel development in the two nations—the acquisition by fewer and fewer, and more and more dominance of the dominant newspapers and other means for dissemination of information to the public.

We have devoted a portion of our brief to the pattern of daily newspaper ownership. We are confident that the Committee's own research in this area provides a comprehensive study of the ownership of dailies, as well as weeklies, magazines, broadcast stations, cable television, and holdings of publishers and broadcasters in other industries, as well as cross ownership ties like that between Southam and FP in Vancouver or that recently severed between Lord Thomson and the Toronto Star in the suburban Toronto Home Newspapers Limited. We are only sorry that we will have to wait until after the hearings are ended before this research is published.

The trend to fewer owning more is disturbing us, as we noted in our brief, because it places too large a segment of the public information media in too few hands. It also gives fewer people even greater economic power over the workers employed in the news industry.

The use of this power was demonstrated, we believe, in Peterborough a year ago when the Guild strike against the Peterborough Examiner of Lord Thomson was broken and the strikers' legitimate needs were left unfulfilled.

The Committee asks, in its guidelines for briefs, for comment on the possibility of requiring semi-annual publication of the principal owners and the names of executives of newspapers, as is mandatory in the United States. We would endorse such a proposal if it were properly drawn. We would suggest that it also would require publication of the holdings and offices that the principals and executives might have in other enterprises.

Mr. Fortier: Pardon me, Mr. President. Could this gentleman speak a little louder.

The Chairman: Yes, please, Mr. Ogilvie. Thank you.

Mr. Ogilvie: I am very sorry.

Such a requirement might at least help alert readers to the possibility that policies might be somewhat influenced by a philosophy of what is good for K. C. Irving is good for New Brunswick.

Again I thank you for your invitation to appear here. I will attempt to answer questions you may have, but before the questions, there still are a couple of matters I would like to bring to your attention.

The Guild is vitally concerned with the right of reporters to protect their sources of information. Reporters need and must have this legal right. Just as doctors and lawyers are allowed to police their own professions, so should journalists be allowed to police their own profession.

I submit that journalists are just as responsible and capable a professional group and should have this right.

The Guild also maintains the right of its professional members to become involved in politics, just as any citizen including members of other professions. The tendency by news management to frown on this is a violation of the newspaperman's basic rights. Just as doctors and lawyers are free to do this, so should a journalist be free. No matter what media he works with, a true journalist is a professional and won't let his fairness be influenced by such activities.

Gentlemen, thank you.

The Chairman: Thank you very much, Mr. Ogilvie.

Senator Prowse.

Senator Prowse: I have a number of questions.

I think perhaps we might start, Mr. Ogilvie, with the question of the right of a reporter to protect his informational sources—his sources of information. You referred to doctors and lawyers.

Are you aware that at the present time, doctors do not have the right to refuse to answer questions in court on the basis that they have a confidentiality with their client or their patient?

Mr. Ogilvie: Without attempting to mislead, I think it is the impression of the average

layman that they do. How far their rights go in law, I cannot say. It may well be that they do not have this right, but in the same context, there have been occasions—somewhat inconclusive—when reporters have been called into court. We think that in the interest of access to information and procuring information that the public should have, we should have the right to protect sources who could be subject to retaliation somewhere along the line.

Senator Prowse: Would you say this is a greater right than would exist for a priest in the confessional or would it begin to approach it?

Mr. Ogilvie: Hopefully and personally, I would like to see it approach it.

Senator Prowse: The fact is that a priest in the confessional has no privilege so far as the law in Canada is concerned today. Did you know that?

But from a practical point of view, no priest is going to break his own personal oath and the court would be faced with the necessity of then dealing with him in contempt. The same applies to doctors.

The only person who has any privilege at all is a lawyer—and that is because it is the client's privilege and not his. Now why is it so important that a newsman should be given this protection? Surely there is a danger in any kind of privilege. Has the public not been served reasonably well up to now with the fact that the newsman will protect a client or will protect his sources?

Mr. Ogilvie: I will agree that it has been, but it need not always be the case. There are at times pressures put on newsmen to reveal sources that perhaps are not in the best interest of either the public...

Senator Prowse: What kind of pressures are we talking about now? Let us be specific.

Mr. Ogilvie: I would find it a little difficult to define. Pressures do occur.

The Chairman: Do you want Mr. Rupert to say something on this point?

Mr. Robert J. Rupert: American Newspaper Guild (International Representative): There have been legal pressures brought to bear on reporters to reveal sources. Do you think that the reporter, when he is protecting his source, is any less in pursuit of justice than a lawyer?

Senator Prowse: Let us understand what is going on here. I am asking you questions.

I will take the position that I think at this time that the professional newspaper reporter is just as much in pursuit of justice when he protects his source as the lawyer.

At the present time, the only time that a reporter might be put in that position is in the situation where a reporter is called before a court when he has said, "A prominent source told me this" or something to that effect. Then he says, "I won't tell you who it is." What happens to him?

Mr. Rupert: It is my understanding this never has been pushed to the extreme. People have decided not to in fact test this to the Supreme Court of Canada, which I suppose would be the final authority. What we are afraid of is that somebody will push it to that extreme and that the reporter will be in a lot of trouble that we do not think he should be in.

Senator Prowse: Well...

Mr. Fortier: Excuse me, Senator. There were two instances recently in Montreal involving contradictory judgments. We must be aware of them. They were rendered by two different judges.

In one instance, a reporter at the CBC was requested to disclose his source of information. When met with his refusal, the court declared him in contempt.

Then last week in the Valliere case, it was a reporter for the Montreal Gazette who was asked by the accused to disclose his source of information. He refused to do so. The judge maintained his right in those particular circumstances not to disclose his source of information.

Now those were two separate trials within two or three months of one another in Montreal.

The Chairman: Do you want to comment on Mr. Fortier? I shall come right back to you, Senator Prowse.

Mr. Gilles Desjarlais, Member, American Newspaper Guild; CBC French News Service in Toronto; Guild Local (CBC) Past President: I am just going to add to what Mr. Fortier has said. There were two other cases in Montreal recently. One concerned the night that there was trouble in the St. Leonard streets. TV and radio reporters were asked by the courts to bring their tapes and their films of the incidents.

Also, if you do remember the time that the reporter from La Presse in Montreal came out with the details of the last published report of the Bilingualism Commission, there was pressure put on the reporter. Some people mentioned the fact that that reporter should be brought into court to give the sources, to explain how he obtained that information or those details before it was made public.

The Chairman: Thank you. Now, Senator Prowse.

Senator Prowse: We will go back because this is one of the questions that has been raised. If I am making it difficult, it is because I want to get as much of the facts as we can in this.

The fact is that over a period of time in this country reporters have refused consistently, as a matter of professional ethics, to reveal the sources of their information regardless of how personally difficult it might be for them. Is this not so?

Mr. Rupert: Yes. I was not aware of those cases in Montreal. I would like to know what happened to the reporter who was found guilty of contempt.

Mr. Fortier: He served his time.

Mr. Rupert: I was afraid that would be the answer. He served his time.

Mr. Fortier: There was no appeal.

The Chairman: Do you want to continue, Senator Prowse?

Senator Prowse: I want to take this a little bit further. The thing that I am concerned about is the fact that in the hands of an unscrupulous reporter, an absolute privilege to protect a source—or presumably to protect a source—would put into his hands, it would appear to me, unbelievable possibilities for mischief.

If I am an unprincipled reporter, I can say I got this information; this is a fact. I am hauled into court. They say, "Well, where did you get this?" I say, "I was told this by a person that I have every reason to believe." "Who was he?" "I won't tell you." That is the end of the conversation.

At the present time, the reporter still has the right to say, "I won't tell you", but he may have to take the alternative of going to jail for a few hours or a few days.

Is it not possible that the public ends are served better by the present situation than they would be by providing a privilege?

Mr. Rupert: If I had not just learned that a reporter in Montreal did some time, I would be inclined to agree with you. However, I don't think that the reporter himself is the sole judge of what happens at the newspaper before the story ever gets to the reader. There are responsible, professional news management people who have to pass on the validity of that story. I think that the press does this well at this time.

Senator Prowse: You are going to have to tell your editor. He is making a judgment on the story.

Mr. Rupert: Yes.

Senator Prowse: But if there is a complete privilege, then is not the reporter in a position where he can say, "I won't tell the editor"?

Mr. Rupert: But then the editor is in a position where he can say, "The story is not going to appear in the newspaper."

The Chairman: We have explored that angle fully. Do you want to go to another line, Senator Prowse? Do you want someone else? Do you have another question?

Senator Prowse: Yes. I am a little interested to know what percentage, 40 percent or 38 percent, of your members actually are in Toronto. You have 13 Guild contracts in newspapers in Canada at the present time. Is that not so. Or is it 14?

Mr. Rupert: I would say almost 70 percent of our membership would be in Toronto.

Senator Prowse: All right. Your lowest weekly starting wage is \$75.80 or something?

Mr. Rupert: In Oshawa.

Senator Prowse: Somewhere around there. And about \$117 a week in Ottawa, or rather in Toronto?

Mr. Ogilvie: Yes.

Senator Prowse: How do wages for reporters compare with people in other businesses? Let us assume that the reporter today is a graduate from the university with a degree in arts, journalism, BSc or something.

Mr. Rupert: I think the starting wages compare rather favorably in most cases. It appears to us that the problem is not to attract able and well-backgrounded people into journalism. The problem is once they get

there to keep them there. So it seems to us that the starting wage may not be the problem.

In fact, many publishers do not try to hire people at the starting wage, even if they are fresh out of college. They start them at a one- or two-year rating. The problem is that they reach their maximum too soon. At the point where the newspaperman's salary stops, generally the other professional person's salary continues to go up.

Senator Prowse: What about your turnover? Do you have any figures at all on what the turnover in the recruitment is, say in five years? Where they are?

Mr. Rupert: No; I do not. From my experience, the turnover really is tremendous and the turnover is more rapid at smaller newspapers where the salaries tend to be much lower. I would think that publishers would confirm that; that certainly is our experience.

Senator Prowse: There is a second aspect of turnover that I want to ask you about. That is, does a person leave one newspaper just to go to another? That is a normal progression. How long do we keep people in the profession? Do you have any research on that at all?

Mr. Rupert: No; we do not. I just would not attempt to answer that because my answer might not be reliable.

Senator Prowse: Generally speaking, would you say that the wages and working conditions are such that we are getting into the reporting business and editing business in Canada...

Mr. Rupert: I am sorry. I did not understand that.

Senator Prowse: Are we getting into the reporting and editing business throughout the country people of a caliber that we ought to have in view of the importance of the function they discharge?

Mr. Rupert: Yes; I think we are getting them. I do not think that in many cases we are keeping them. It seems to us that you can almost measure this in terms of the amount of money people are paid. There is an end to the amount of sacrifice any person is willing to make in the name of anything.

We think the problem is keeping them. Very often they gravitate to the larger newspapers so that you have a degree of editorial

excellence in many cases in larger newspapers that the smaller newspapers cannot match. We contend that they could. They could hold these people. They could afford to pay these salaries.

It is our impression that the small newspapers are just as profitable as large newspapers in terms of the margin of profit. We think that the college graduate or fully-experienced journeyman reporter who works for a newspaper in a small town should receive the same sort of salary that a person like him receives in a place like Toronto.

Senator Prowse: Could you tell me why?

Mr. Rupert: Yes; I can. (A) We have a lot of trouble organizing small newspapers because of the tremendous turnover in staff. (B) We are told by the publisher, "Don't tell us what they pay in Toronto; we are not interested. This is some other city. If your people want Toronto wages, they had better go to Toronto to get it."

That is a very difficult argument to counter when you are given only the weapon of a strike.

Senator Prowse: In other words, the enthusiastic amateurs are spoiling the business for everybody. Is that correct?

Mr. Rupert: I suppose to some degree that is true. I do not know that it is altogether true, but there is a great attraction for a lot of young people to come into a glamorous sort of business so that there seems to be a ready supply of talent. The problem is to keep them around for awhile.

Senator Prowse: Tell me as a matter of information, is the Guild at all interested in any project in order to establish a level of professional competence in the people that you undertake to bargain for?

Mr. Rupert: We have a Heywood Broun Award, named for our founder, that we think is an incentive to people. We do have, right in our collective bargaining program, built-in promises that all of our locals have to make which we think make it possible for our people to have professional integrity and to become fully experienced.

It seems to us that the best way to keep people in the business—it may sound like a simple answer—is to pay them well. We think that is the only answer.

Senator Prowse: You are going to pay them. What I had in mind particularly was

not pay, but let us grant that pay is important. Is there anything in your contracts that require an employer that you enter into a contract with to provide a certain level of instruction to these people?

Mr. Desjarlais: In the contract between the Guild and the CBC and the Mercater Corporation, there is a clause where the corporation is agreeing to take the responsibility of training its own newsmen. Unfortunately, this clause has not been as respected as we would like to have it, but the Guild certainly is trying to force it as much as possible. We are trying to have the same kind of clause in all of the other contracts.

Senator Prowse: In other words, you are arguing that now.

Mr. Desjarlais: Yes.

Senator Prowse: That is all, Mr. Chairman.

The Chairman: Senator Sparrow I think wanted to ask a question.

Senator Sparrow: On Page 6, number 24, it says "Where the profit motive outweighs editorial responsibility, and this is true in a frightening number of cases, reporters and editors are underpaid and overworked and many of the most promising do not remain long enough in the business to become adequately experienced."

Could the witness answer how they arrived at this fact or this assumption—whichever it may be—that that is the case?

The Chairman: Mr. Ogilvie or Mr. Rupert.

Mr. Rupert: Well, we have, for instance, a quote from I suppose the biggest press lord of them all, Lord Thomson, who has called the small town newspapers "cash boxes", and who on another occasion has said that news is what you stick in between the ads.

Now, that is one—only one—example of what we are referring to in our brief. We do not have a long series of admissions from publishers that they are more interested in money than they are in editorial excellence. In fact, we do not contend that all of them are that way.

We think that the problems we have in negotiating reasonable salaries for competent newspaper men in small towns, when the newspapers are profitable, proves that the emphasis in those particular situations is more on profitability than editorial excellence

or serving the interests of the community that the newspaper services.

The Chairman: Do you want to comment, Senator Sparrow, or ask another question on it?

Senator Sparrow: That is fine; thank you.

The Chairman: Senator Prowse.

Senator Prowse: Would you say that profitability and editorial excellence are motivating forces in the operating of a paper? Are they mutually exclusive?

Mr. Rupert: No.

Senator Prowse: Would you agree that editorial excellence will probably result in greater profitability?

Mr. Rupert: I am not sure that the amount that the publisher will get will be a full return for every dollar he spends improving the editorial excellence. I am not sure that he will realize a full return in advertising revenue.

Senator Prowse: Over a period of time.

Mr. Rupert: Yes.

The Chairman: Senator Sparrow asked you a question on 24. I should like to ask you a question on 23, just ahead of that.

You say "Unorganized employees of Canada's newspapers and other news media have in recent months shown an intensified interest in gaining the benefits and protections possible through Guild contracts..." Now comes what I want to ask you about. "...despite the continued existence of many of the obstacles of the 1930s and 1940s..."

What are these obstacles and particularly what are the continuing obstacles?

Mr. Rupert: Let me refer to our experience in Peterborough. I am sure that you are interested in it. We think that our experience in Peterborough constitutes us being confronted by the sort of obstacles that we met in the 1930s.

In Peterborough, the final offer that the Thomson newspaper made before our people were forced to strike—and I think that certainly we can prove they were forced to strike—was in the case of a desk man \$5.00 a week under what he was making. That is rather difficult to believe, but that is the fact. He was offering on January 1, 1969, in order to get a contract with us, \$120 to a desk man

a sports editor with six years of experience and possibly a college degree or maybe 20 years of experience—but a minimum of six—and at that time he was paying the sports editor \$125.

Now, that is not bargaining in good faith to achieve a contract, to say that the least the publisher will insist on is that somebody take a \$5.00 pay cut in order to belong to a union.

We still run into this, people being fired in an organizing drive. Now, this is unfair labour practice if we can prove this person was fired for labour activity. It is very difficult to do, but if we can prove it, we can have the person reinstated. What happens to him in the interim period? What does he live on? How are the other people who are supporting their families from the salaries they make at that newspaper living? How courageous are they going to be? How willing are they going to be to stand up to the publisher when they know that one of their people was fired and is without work?

These are the sorts of things we run into.

The Chairman: Has this happened recently?

Mr. Rupert: People being fired in organizing drives; yes.

The Chairman: How recently? Would you say last week? Do you care to say?

Mr. Rupert: If you press the question, I will answer it. I would prefer not to answer it because in an organization drive, we prefer not to...

The Chairman: I shall not press the question.

Mr. Rupert: ...come above ground until we have established some strength, but it happened last week.

Senator Prowse: Nobody wants to put you in a difficult position, but you are telling us right now within the last week or last two weeks, people have been fired from their jobs because they were involved in trying to organize a collective bargaining unit?

Mr. Rupert: Right. Now, we have not been to the Labour Board and the Labour Board has not ruled that in fact that was for labour activity. However, we believe it was for labour activity.

Senator Prowse: You are satisfied in your own mind this is what happened?

Mr. Rupert: Yes sir; yes.

The Chairman: Senator Everett, did you have your hand up? I am sorry; did you not?

Senator Everett: I want to ask some questions when you are ready.

The Chairman: On this point or another?

Senator Everett: Another point.

The Chairman: Are yours on this point, Mr. Fortier?

Mr. Fortier: It is on the Peterborough matter.

The Chairman: Fine.

Mr. Fortier: Mr. Rupert, in fighting the Peterborough battle, did you find evidence that management was being overtly influenced by the Toronto Head Office of the Thomson newspapers or were you dealing with local management, local publishers exclusively?

Mr. Rupert: I am not in a position to answer that question because I was not assigned to Peterborough. In fact, I was only into that city once. I was on the West Coast, but maybe Glen Ogilvie can answer.

Mr. Fortier: Would you care to answer that?

Mr. Ogilvie: Yes. In Peterborough, our dealings were with the publisher and legal counsel. I was not present myself. There were meetings in Toronto at which I understand other senior members of the Thomson organization were present. I do know that in the case of Oshawa, it was not until the 11th hour of negotiations that a senior executive officer of the Thomson chain did enter into the picture and did then, in fact, bargain and stay in session until a contract was reached.

Publishers of papers are reluctant to admit, to the Guild certainly, that they are taking direction from head offices in some other area. We do know that from time to time they do contact the head office for help and advice.

The Chairman: Mr. Fortier.

Mr. Fortier: Mr. Rupert referred to what I would call a tactic used by the management. In Peterborough, did you have instances of other tactics used by the publisher that you would care to put before the Committee?

Mr. Ogilvie: Well, the day before a certification vote, the publisher mailed a letter to

every employee containing many errors of fact and, in fact, telling them that it would be far better if they were without the Guild. That would be the tenor and intent of the letter. That is one area. It happened. Fortunately, we were able to get a rebuttal on very short notice.

Mr. Fortier: Rebuttal to the letter on the facts?

Mr. Ogilvie: A rebuttal on the facts.

Mr. Fortier: Was the grievance submitted to the Labour Relations Board? Since this is history, I presume we can talk about it.

Mr. Ogilvie: I do not think it was protested ever.

Mr. Rupert: I might add, I do not think a refusal to bargain charge was made ever against Thomson Newspapers in Peterborough. I am not personally aware of what sort of thinking went into the decision not to press that matter. I suspect that it was such a dead issue that they decided not to press something when there really was nothing to win but a hollow victory at the very best.

Mr. Fortier: Given the Peterborough experience behind you now, if you had to fight a similar battle, how would you go about it? In other words, what have you learned in Peterborough?

Mr. Rupert: I think we learned a lesson in Peterborough. We were reminded of something in Peterborough that we knew already. It has become almost impossible for us to organize a single department of a newspaper because we just do not have the power base for collective bargaining.

Even when we succeed in organizing, as we did in Peterborough, and we go to the bargaining table, the only thing a union has, remember, is the threat of withdrawal of its services. In Peterborough, all we had was the editorial department. I think that the publisher in Peterborough was willing to get along without his editorial department for awhile in order to get rid of the union.

One thing that we have not mentioned is a tactic that is sort of an interesting commentary on what centralized ownership can do. In Peterborough, we could not get any coverage of our strike because Thomson controlled all but one—I can be corrected, but I think this still is true—small private radio station.

The only way we could get a printed message to the people of Peterborough was to

find a press and do it ourselves and hand it out to people's doors.

Mr. Fortier: Are you saying it was a complete blackout of news with respect to the strike of the Peterborough Examiner in the Peterborough area?

Mr. Rupert: Except on the private radio station. I think there only was one story. Some student sympathizers took up the cause of the strikers and staged some demonstrations in Peterborough. Now this is my recollection.

Two or three students were arrested for public mischief or something like that. I think that a story did appear in the newspaper that day. They were identified as strikers; they were not strikers.

Mr. Ogilvie: If I might cut in here. That was a radio and TV broadcast, not a newspaper. Newspaper coverage was restricted to first-day story, a few minor details, minor accounts toward the end of the strike, to full-page advertisement appearing about Christmas time.

What transpired during the strike did amount to an almost total newspaper blackout by the Thomson interests with the exception of this one small, independent radio station which did manage to give a fair, but brief account of what was transpiring.

The Chairman: Senator Everett.

Senator Everett: Mr. Ogilvie, you were talking about the members of your Guild being a professional group and their source should be protected by privilege. You also stated that they should be able to take part in politics without fear of any retaliation from their employers.

Did you think this right should be enshrined in the law?

Mr. Ogilvie: I am not sure how it could be but I would think that it would come under civil rights in some areas.

Speaking of politics, what I had in mind was a civic-minded reporter who takes part in local politics at the municipal level, aspirant to the school board, to a smaller council, some area which does not necessitate giving up his daily livelihood to tend to the business—this type of activity. It has been frowned upon.

When such activities do not entail sufficient amounts of time on the reporter's part

impair his ability to do his job properly or to attend to his daily work—obviously when it gets into a higher field and when more time is required, I would say that leaves of absences should be granted to newspaper people doing this. In some cases now, they are required to resign.

Senator Everett: What you are talking about is a contractual arrangement between the employer and the group of employees or the individual employee. What I asked you was whether or not you felt a law should be passed to enshrine this principle.

Mr. Rupert: I will give my personal opinion. Yes.

Senator Everett: What should the law say?

Mr. Rupert: I think it should say that no newspaper reporters should be required to divulge the names of their sources.

I would think we should write it into our contracts.

The Chairman: Do you think it should be law?

Senator Everett: You do not think it should be a law?

Mr. Rupert: I certainly do not think it is necessary.

Senator Everett: Could you tell me what dues you charge?

Mr. Rupert: It varies from one local to another but generally, it is five percent of one week's salary per month, which comes to something like 1.23 of the minimum scale negotiated by the union. Now, if our people make differentials and overtime and earn over the scale, they are not charged dues on the additional money they make. That means that the person who earns \$200 a week—and they are too few—would pay, in most locals, \$10 per month for his dues.

Now, in addition to that, we have what we call a defence fund. It is like an insurance that our people buy against that day when they might have to strike. When members of the newspaper guild go on strike and the strike is sanctioned by the international union, our members receive strike benefits which can go anywhere from \$40 to \$85 a week, depending on their needs.

Senator Everett: What are the defence fund dues?

Mr. Rupert: I think it is something like \$3.50. I am not sure. I think \$3.50 on a salary to a top of \$6.00 depending on the amount of salary you earn.

Senator Everett: Are there any other dues or assessments charged by the union to members?

Mr. Rupert: Initiation fees vary. I think they go anywhere from nothing to \$5.00 or \$10.00. They are rather low when compared to most initiation fees of unions.

Senator Everett: Is that the sum total of the dues that are charged by the Guild to its members?

Mr. Rupert: Yes.

Senator Everett: How much of those dues is remitted from the locals to the Canadian Central Office?

Mr. Rupert: We do not have one. We have a Canadian District Council, which is not a central office. It is just an unofficial Guild body which meets periodically. The dues to that are nominal. I do not think they would amount to more than \$1.00 per member per month. I do not think they even are that high.

Mr. Ogilvie: They are paid by the local participating in the council, from the local fund from their part of the dues already paid. The amounts already have been mentioned.

Senator Everett: The dues then are remitted to Washington by the local directorate?

Mr. Rupert: Then they send a portion of the dues to the Washington Office. This is called per caps. Then the Washington Office pays the bills of the Canadian operation.

For instance, I am an international employee. I am paid from Washington, but the Guild has a bank account in Canada. My salary comes out of that bank account.

Senator Everett: That is a Washington-controlled bank account?

Mr. Rupert: Yes. Well, Washington-controlled except that there are some Canadian people on the Board and they rule on expenditures. They rule on the budget and have some degree of participation.

Senator Everett: And some degree of the membership of the International Board?

Mr. Rupert: Yes.

Senator Everett: Could you tell me what the Canadian income of the Guild is?

Mr. Rupert: No. We could get you that figure. There are approximately 3,000 or 3,500 Guild members in Canada. I am just not sure what the per capita is.

Mr. Ogilvie: It is around \$3.85 a month.

Mr. Rupert: So supposing it is \$3.85 per member and there are 3,500 members. It is something over a thousand.

Senator Everett: I am sorry; I did not get that.

Senator Prowse: 3,000 members; 3,500 members.

Mr. Rupert: About \$11,000.00 per month.

Senator Everett: What is the \$3.85 a month?

Mr. Rupert: Those are what we call "per caps". The local collects its dues and then remits to Washington \$3.85, or something very close to that, per member.

Senator Everett: I see. So \$11,000.00 then is remitted by the locals to Washington?

Mr. Rupert: Yes.

Senator Everett: You say you have 3500 members?

Mr. Rupert: Well, I picked that figure out of the air. It might be closer to 3400.

The Chairman: 3400.

Senator Everett: How many of those are in the editorial department?

Mr. Ogilvie: I do not have figures to break it down. Our locals vary.

The Chairman: Perhaps you would forward that information to us. Would that be satisfactory?

Senator Everett: Not entirely, Mr. Chairman.

It would not be a major portion of your members?

Mr. Rupert: It would not be the majority of our members.

Senator Everett: It would be less than 25 percent?

Mr. Rupert: No. I do not think so. I believe it would be right around 30 percent.

Senator Everett: About 30 percent. What would be the function of the remainder of your members?

Mr. Rupert: It would be to work in the business office, clerks, typists, stenographers, accountants, advertising salesmen, in some cases truck drivers, circulation district managers. Depending on how much of our jurisdiction we have organized, they do almost all of the non-craft jobs apart from running presses, setting type, this kind of thing.

Senator Everett: Your brief seems to me, on reading it, to give heavy emphasis to the problems of the editorial journalist.

Mr. Rupert: It was our impression that that was your major concern. That is why we concentrated on it.

Senator Everett: I see. Well, I would like the figures. You say that it would not be less or would be less than 25 percent?

Mr. Rupert: It would be right around 25 percent.

Senator Everett: About 25 percent of your workers are editorial?

Mr. Rupert: Yes. And I do not put that to you as an accurate figure. I think it is close to that. We will get you exact figures.

Senator Everett: I would like a complete breakdown, Mr. Chairman.

The Chairman: We would appreciate it if we could have the information.

Mr. Desjarlais: I might have it in answer to a question. Depending on the local situation it might be different. The CBC local is composed only of newsmen, nobody else but newsmen.

The Chairman: Thank you.

Senator Everett: In that case, the Guild.

Mr. Desjarlais: ... represents only newsmen in the CBC.

The Chairman: Senator Bourque, some time ago you wanted to ask a question. I am sorry I could not get to you sooner.

Senator Bourque: In your brief, Article 1, says "The purpose of the American Newspaper Guild shall be to advance the economic interests of its members, to guarantee, as far as it is able, constant honesty in the news, to

raise the standards of journalism and ethics of the industry..."

Now, my question is, is it necessary for a prospective member of the Guild to undergo some kind of examination as to his ability, experience, and knowledge as a newspaperman before he is admitted to the Guild? In other words, is it necessary for the candidate to show what ability he has as a newspaperman?

Mr. Rupert: It is necessary for the prospective member to prove his ability to the publisher. The difference between our union and craft unions is that we do not supply staff to a publisher. The publisher hires people on the basis of their qualifications. Once he has hired them, then they become members of our union.

So, yes, there is a test, but we do not apply it. The publishers do.

The Chairman: I think Senator Macdonald had a question.

Senator Macdonald: Yes. To go back to that Peterborough matter for a moment. On that paper, are there craft unions?

Mr. Rupert: I do have some figures for them; yes.

Senator Macdonald: I just wondered if there are craft unions present.

Mr. Rupert: There are craft unions in Peterborough. I will give you figures at this time on that. At the time that the Peterborough Examiner offered us a top minimum of \$125.00 for an assistant editorial writer, the pressman was earning \$131.50, which is \$6.50 higher than what we were offered. On January 1, 1969, which was the day their proposed offer would go into effect, the pressman would have been earning \$143.25.

So that is something like \$18.00 a week more than our assistant editorial writer, which was what the top classification was offered.

Senator Macdonald: In other words, in the craft unions, the members were to cross the picket lines of the industrial union?

Mr. Rupert: Would they?

Senator Macdonald: Yes.

Mr. Rupert: In that particular case, sir, they did.

Senator Macdonald: Have you run into jurisdictional disputes with them?

Mr. Rupert: Very rarely.

Senator Macdonald: The craft unions did cross the picket line?

Mr. Rupert: The question of jurisdictional disputes tends to be rather easy; it is easy to separate the function of a pressman or printer from that of a reporter or a district manager or ad salesman.

Senator Prowse: Well, the craft unions have insisted on that separation all along.

Mr. Rupert: Well, they are craft unions. We are an industrial union. We are dedicated to the principle that one union, and one union only, should represent all of the employees in a newspaper plant. That is our position of principle.

However, we are unable, because of the longstanding craft union structure to do very much about this. The printers' union is the oldest union in the country.

The Chairman: Guild members crossed the picket lines which are around the newspapers in Toronto.

Mr. Rupert: Our Guild members are now walking through a nominal sort of picket line in Toronto. When the strike was at its height, our members were going through the line. We do have, within our constitution, a provision which empowers our locals to sanction a picket line and refuse to cross it.

Now, there are people who would interpret the Federal, and in fact the Ontario, law to prohibit us from taking that position. I think probably that is as much as I should say about that.

The Chairman: Senator Macdonald.

Senator Macdonald: What degree of cooperation is there between the two unions, craft and your union?

Mr. Rupert: It really depends totally on the locality. For instance, in the City you are in, there is a very large amount of cooperation and understanding of common interest between the craft unions and the Guild.

I think generally we have a rather good relationship with the craft union, but we have had some tremendous breakdowns. Peterborough was one. Certainly, Toronto was a bigger one.

Senator Macdonald: I would like to change the subject unless somebody else has a question.

The Chairman: Senator Sparrow wanted to ask a question, but why don't you carry on? We will come back to Senator Sparrow.

Senator Macdonald: Does your union resist any changes in the technical operation of the papers?

Mr. Rupert: No.

Senator Macdonald: I have in mind such things as the linotype.

Mr. Rupert: That is not our jurisdiction, sir. We do have automated processes introduced into our jurisdiction in the business offices now. We are told that it is coming in the editorial departments.

We have a collective bargaining program that is determined by our convention. One of the mandatory proposals we must make and try to achieve is that when an automated process is to be introduced that is going to reduce the work force, the publisher and the union discuss the most positive way to approach this. We insist that no one be displaced. We do so on the basis that without consumers, there will be no newspapers or ads. Therefore, people have to work.

Now, I was interested in the Woods Commission Report. They said that that was exactly what they thought management and unions ought to do. However, we still meet a surprising amount of resistance from some publishers in this area. They feel they ought to be able to introduce the process and displace people if they want to.

In some cases, they agree to a contractual provision. In other cases, they give us a side letter to our agreement which says "No one shall be displaced within the life of this agreement." We are inclined, in some cases, to take that side letter. We would rather have a contractual provision, which is what the Woods Commission recommended.

Senator Macdonald: Sometimes, by natural erosion or something, there would be fewer people employed.

Mr. Rupert: By attrition, our number of members would be reduced. That is something we think we have to live with in many situations.

The Chairman: Senator Sparrow.

Senator Sparrow: Beginning on Page 15 through to Page 17, and referring to number 72 on Page 17, you state in reference to concentration of ownership that "This high

degree of concentration of ownership . . . disturbs us greatly."

Then in your verbal presentation you referred to fewer owning more which troubles you. Are you advocating legislation in this regard? If you are, have you a firm proposal to make so far as legislation would be concerned to put some controls on the ownership of the media?

Mr. Rupert: Well, yes, we advocate legislation; no, we do not have a firm proposal. However, if any agency that is empowered to show an official interest is interested in this approach, then we would make certainly a firm proposal.

Senator Sparrow: Have you any further comments on this subject?

Mr. Rupert: Well, I was going to refer to an article that was in the *Globe and Mail* magazine some time ago, which I think rather dramatically points up the dangers of concentration of ownership.

If I may, I am just going to read the first few paragraphs. This was written by Ken Bagnell in the *Globe and Mail*.

"You are, let us say, rolling out of bed in the old city of Saint John, misty and gray in the New Brunswick morning. You reach for the morning paper. It is K. C. Irving's paper. You switch on the radio. Chances are good it is K. C. Irving's station. You turn on the TV. It is K. C. Irving's channel.

"You stroll to the drydock. It is K. C. Irving's drydock. You walk to the famous Reversing Falls and lift your gaze to a belching pulp mill. It is K. C. Irving's mill. You scan a hill and a sprawling oil refinery. It is K. C. Irving's refinery and maybe even his hill.

"You board a bus. It is K. C. Irving's bus. After dinner, you buy the evening paper. It is K. C. Irving's paper. You pick up the out-of-town papers from Moncton and from Fredericton. They are K. C. Irving's. You are in the domain of one of the most incredible men in Canada."

I think that is a dramatic example of how concentration of ownership can be dangerous. I think a man who controls so much of the economy in the lives of a group of people in one city must present a tremendous problem to a newspaper management which sincerely believes that it ought to be responsible to the public that it services.

I just think that this creates tremendous problems for the people who are running this

newspaper and that is the sort of concentration of ownership that disturbs us.

The Chairman: May I ask you if there is any different attitude towards the Guild from these various common ownership companies? You may not be able to answer that.

Mr. Rupert: It is a good question.

The Chairman: Presumably, you are working in newspapers which are owned by these various companies.

Mr. Rupert: Yes.

The Chairman: Do they respond differently to the Guild?

Mr. Rupert: I think it varies from one ownership group to another. In some instances, there seems to be total autonomy in terms of employer relations. In others, there seems to be a rather large degree of central control. So I think it varies from one to another.

If for instance, we are up against an employer who is unfriendly to the Guild—such as Lord Thomson obviously has proven himself to be—he learns an awful lot of lessons on that organizing drive that he can use to defeat us somewhere else. I think that this may be the extreme case, but it can happen that concentration of ownership can, in fact, make it more difficult for a newspaper group of employees to gain collective bargaining, a right to which they have a democratic right.

The Chairman: Perhaps you fellows learn something out of the same situation.

Mr. Rupert: We like to think we learn something.

The Chairman: Senator McElman.

Senator McElman: You refer to the article by Bagnell in your brief on Page 17, 73. You make the statement "We feel the treatment given news adverse to K. C. Irving's non-newspapers holdings by his New Brunswick papers gives ample demonstration of the potential for dishonesty inherent in such monopoly."

Do you have any evidence to support a statement like that or do you simply go on the basis of Mr. Bagnell's story? That is a rather broad statement.

Mr. Rupert: I know to what he is referring. I was trying to put together a response.

I think basically we are relying on the findings of reporter Bagnell. Now, I do not know

personally whether the newspapers in that town have been unwilling to honestly face the pollution problem that mill may be creating. I personally do not know.

Senator McElman: I was wondering if you had any evidence or whether you were accepting the sense of the Bagnell story at face value.

Secondly, you speak of where you had Guild contracts with publishers—you do have Guild contracts, I take it, in the Atlantic Provinces somewhere?

Mr. Rupert: No.

Senator McElman: Have you attempted to establish the Guild?

Mr. Rupert: Yes. I had a feeler, an indication of interest from the Maritimes a matter of three months ago. It was from an editorial person who, because of no exposure to the Guild thought that the Guild was an editorial-only union.

This person pointed out that the newspaper that he or she was employed by was one owned by a person who also owned other newspapers. She said, "If you are going to work in this area, you are going to have to work for this man. He can control the wages. All we need is a Guild."

So I wrote a letter to this person and said that our experience had been it was very, very difficult for us to negotiate a respectable contract in an area where there is no Guild and in an area where we only have one department organized. I did not get an answer which indicates, to me, this person just felt that it was a bigger job than we could handle.

We are very interested in pursuing. We do not deny the benefits of Guild membership to any group of newspapermen, no matter how large or small anywhere, provided we think there is some practical possibility that we are going to be able to achieve a contract and do something for them.

We will not organize people simply so we can say we represent them. If we cannot represent them effectively, then we do not want to represent them at all.

Senator McElman: The information we have thus far indicates there is rather substantial disparity in the wage levels as between some parts of the prairies relative to B.C. or the central part of the nation. The same holds true for the Atlantic provinces relative to Central Canada and B.C.

Would it not be one of the purposes of your Guild to endeavor to move into these areas of apparent need and overcome this disparity?

Mr. Rupert: That is exactly our goal. Any time we have any reason to believe that we can organize a group of newspapermen, anywhere, anywhere in this country, no matter how remote, and that we can do a good job for them, we will go and try to do it.

Now, because we will take on almost any organizing situation, we frankly have some failures, but we think that any group of newspapermen that indicate a real interest should have an opportunity. It is their democratic right and we are the union to represent them.

Senator McElman: In view of this wage situation that I refer to, does it not seem strange that you could be described almost as a Toronto-based organization rather than a national organization?

Mr. Rupert: In view of our goals, you think...

Senator McElman: In view of your goals and some of the disparities, such as wages, that I spoke on, is it not a strange thing that you come out in your membership, etcetera, almost as a Toronto-based organization rather than a national organization?

Mr. Rupert: I think it is unfortunate, but I do not think it is a strange thing. We have pointed out that on smaller newspapers conditions are such that internal turnover is so rapid that we cannot establish a base. It takes a long time from the day you sign the first person to a card until you get to the Labour Board and get certified.

It takes a much longer time from that point until you achieve a contract. If you have a situation where there is no stability and people are moving and going to greener fields all of the time, and management is not likely in many of these cases to hire somebody who they think might be sympathetic to the Guild, frequently what you can wind up with is a contract and no members or certification and no members.

That is why we have had some problems in the Maritimes and also in other small cities.

Now, we have had, of course, problems in Quebec that the whole nation has had. Ours are no different from anybody else's except that we have had our separation. We have lost through a Labour Board decision sup-

ported by the CBC. We have lost our French-speaking news people in Quebec, but we still are trying to achieve strength in Quebec and the Maritimes.

Anyway, I think it is unfortunate, but I do not think it is strange. I think there are some clearly identifiable reasons for our inability to get into the Maritimes.

Senator McElman: Would this be one of the principal reasons then why you are an international rather than a national organization as well? Would you look to strength at the international level that you cannot get nationally?

Mr. Rupert: The history is that the Guild was organized in Canada by an international union. The start was made, as you have seen from the brief, in Toronto. I think that most Canadian Guild members feel that the whole concept of unionism is where the members of a group can enjoy the strengths of the group.

I think the strength in Canada is too small. Certainly the larger group can be, in my judgment, the stronger. I suppose that is just an academic argument in favor of international unions rather than national unions.

The Chairman: Senator Sparrow.

Senator Sparrow: Referring to wages again, you refer, of course to the fact that local members make the final decision on the acceptance or rejection of a proposed contract settlement under which they will work.

Now, in 25 on Page 6, you discuss minimum beginners' salaries as ranging from \$118.84 weekly at the Toronto Telegram to \$75.40 at the Oshawa Times. Why would there be such a difference under a Guild contract with you representing both?

Mr. Rupert: Very simple, sir. The publisher would not go any higher. The way we achieved our initial contract in Oshawa was to strike. We had to strike to achieve that kind of a figure and that is the best we could do.

We were faced with the practical decision: "This is all we can get. Are we going to desert the people because it is less than we have somewhere else?" I do not think we can afford to do that.

Senator Sparrow: Would you comment on the economics of the newspapers themselves? Why is it one can afford the higher wage and the other cannot?

Mr. Rupert: I suppose like in any other business, there are some newspapers which

are more prosperous than others. I do not know how prosperous the Oshawa Times is, but I do know it is the only newspaper in that town and that they have a very big expensive new building. They have a rather large circulation. They have very low wages. They have lots of ads in the newspaper.

We have to assume that this is one of the Thomson cash boxes and we contend that he is not giving us our share or giving our people their share. But we really were faced with a practical decision: If that is the most this man is willing to give, no matter how long the people walk around the building and how much his image in the community suffers, we either have to take it and wait for another day—which is what we have done there—or we have to stage a strike. Now we struck to get the first contract there and we had great support from the labour community.

We could not have achieved the contract without them. Now, the second time around, we thought that we had achieved as much as we could. Even had we gone on the street, we felt that we could not have achieved any more at the bargaining table. So we accepted that.

Senator Sparrow: Do you know the circulation of that newspaper?

Mr. Rupert: The Oshawa Times?

Senator Sparrow: Yes.

Mr. Rupert: I am sorry; I do not.

The Chairman: I am sure we have that.

I think, Honourable Senators, that perhaps our time has just about elapsed. Are there any final questions?

Senator Macdonald: Do I take it you have only two full-time paid staff in Canada?

Mr. Rupert: Really, there is only one staff member in Canada of the International Union and that is me.

For an organizing drive that we are conducting among the CBC employees—I feel free to mention it because it is above board and we have a power base now—we put for a period of two months one of the local members, a CBC newsmen, on our staff. He was paid by the International.

Now, the larger locals in Toronto and Vancouver do have their own local staff people.

Senator Macdonald: You say normally only the President and the Secretary Treasurer are the only two.

Mr. Rupert: No, sir. They are the only two paid people on the International Executive Board. All of the other members of that Board are working newspapermen. Now, there is a staff of maybe 20 people, but only two of them are at the policy-making level.

The Chairman: Does anybody else have anything to ask because I want to—Senator McElman.

Senator McElman: I just want to go back for a moment to the reference to the involvement of field members or groups of newsmen or newspaper employees in politics. Correct me if I am wrong. I drew from Mr. Ogilvie's remarks that involvement in municipal politics would be an acceptable thing, but at the Provincial, Federal levels not so acceptable.

When Mr. Rupert said that this would be negotiated in the contract, surely there would not be any difference between the three levels, would there?

Mr. Ogilvie: I am sorry. I hope I did not indicate that. I said there had been resistance at the lower level municipal level and at a higher level, leaves of absences had been denied. People had been placed in the position of resigning a position to take part in politics.

Senator McElman: I misunderstood you then.

Mr. Ogilvie: We are not limiting to one sphere. In the area where the amount of work involved would interfere with the daily work, it is obvious there would need to be leaves of absences or some such arrangement.

The Chairman: Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman. I have two or three short wrap-up questions, Mr. Rupert. Will you kindly turn to Paragraph 12, bottom of Page 3 of your brief, and look to the Ottawa situation where both the Citizen and the Journal have Guild contracts.

It is a fact, is it not, that insofar as the Citizen is concerned, all its reporters are members of the Guild; whereas, so far as the Journal is concerned, only the circulation employees are members of the Guild? I believe that is correct.

Mr. Rupert: We are not fully organized in either newspaper in our jurisdiction. At the Citizen, the editorial, circulation, business office and plant maintenance employees are members. We do not have the advertising

staff. At the Journal, we only have the circulation people.

Mr. Fortier: My question is because of the Guild contract at the Citizen, have you in fact experienced at the journal higher salaries paid to those employees who are unionized at the Citizen?

Mr. Rupert: Yes. That has been our experience. I am recalling a few years ago that the Journal management gave their editorial people an increase; that they had rather closely predicted what the Guild settlements were going to be in the past. They thought they had done so in this case.

After the Guild contract was negotiated at the Citizen, the Journal had to give an additional salary increase to its people to keep them \$.50 or \$1.00 above the wage level of the Citizen.

This is a tactic that we are faced with in almost every city where one newspaper is partially or fully organized and one is not.

Mr. Fortier: Going to another city and speaking of an area, have you encountered similar experiences also in an area where, say, grouping together a number of small towns, if you have one Guild contract in one particular city, in another nearby city the salaries would tend to be on par with the ones paid to that Guild newspaper?

Mr. Rupert: Yes, sir. It is our impression that publishers watch closely the Guild settlements at the closest city—the ones with which their employees would most readily identify—and that guides them in many cases to the kind of money they pay.

Now, what they do not do is match all of the fringe benefits, but their employees tend not to be aware of fringe benefits of Guild membership—not as aware as they are of the salary.

Mr. Fortier: Take-home pay.

Mr. Rupert: Yes.

Mr. Fortier: What has been the experience of the Guild in this respect in the United States?

Mr. Rupert: It is identical.

Mr. Fortier: Identical?

Mr. Rupert: Yes.

Mr. Fortier: Do you have the same percentage of coverage?

Mr. Rupert: I think in terms of circulation, our coverage in Canada might be higher.

Mr. Fortier: Is it?

Mr. Rupert: In the United States, there are major papers like Dallas and Houston, the Los Angeles Times, one of the Chicago papers—the Tribune, Atlanta that we do not have any contracts with. Those are just some of the big ones.

Mr. Fortier: You speak on Page 6, Paragraph 22, of local members having a final decision. Is it not a fact that all contracts have to be approved by Washington?

Mr. Rupert: Yes. We set standards, the International Union, in convention that we want each local to meet or attempt to meet in its bargaining. Before a contract can be submitted to the membership for ratification, the approval of the Contracts Committee has to be secured, except where there is a strike vote or a strike.

If there is a strike vote or a strike, then the settlement can be referred directly to members for ratification without going through the Contracts Committee.

Mr. Fortier: So, except for a strike vote, the measure of local autonomy is somewhat qualified.

Mr. Rupert: There are qualifications. I would say that the decision as to whether a contract will or will not be accepted is always made by the members. Now, we may be instructed to go back to the bargaining table and attempt to improve it.

Mr. Fortier: Could the members approve a contract that has not been approved in Washington?

Mr. Rupert: That has happened. Some form of disciplinary action, which usually is not very stern, has been taken by the International Union.

Mr. Fortier: Finally, on the bottom of Page 7, Paragraph 28, I was interested in being reminded that in Peterborough, the City Editor, the District Editor and the Chief Editorial Writer had joined the Guild picket line. Is it not a fact that the Chief Editorial Writer, Mr. Dunwoody, has gone back to the newspaper since the strike has been settled?

Mr. Rupert: I do not know. Glen, do you know?

Mr. Ogilvie: I do not know. He was one of the last few who took part in the strike who had not found an acceptable position to my knowledge up until six weeks ago or a month ago.

Mr. Fortier: Do you know, Mr. Ogilvie, what happened to the City and District Editors? Have they gone back to the newspaper?

Mr. Ogilvie: Well...

Mr. Fortier: Have they been accepted back into the fold?

Mr. Ogilvie: I am sorry. I cannot say where they are now. I do know that with the exception of five members, who went on strike, all have secured jobs back at their old papers or with other newspapers out of town. A sixth did have a position and decided it was not his cup of tea and relinquished it.

Since that date, they have not communicated with us or with me, so I cannot say what they are doing at the moment. That was back in mid October.

Mr. Fortier: Thank you. Have any Canadians served as President of the International Union?

Mr. Ogilvie: Not up to this point.

Mr. Rupert: No Canadian ever has run for that office, but I guess you know from the brief that there are two International Vice Presidents on the Board from Canada. They have one vote, the same as does the President.

The Chairman: I would like to thank...

Senator McElman: One final question.

To go back to where we started on the question of privilege for reporters. That would come under Provincial jurisdiction. I wonder if any Province has given that privilege, that reporters can protect their sources.

Mr. Rupert: Not that I am aware of at this time.

The Chairman: I would like to thank Mr. Ogilvie, Mr. Rupert and Mr. Desjarlais. You have assisted us greatly. We have been delighted to have you present.

Honorable Senators, we will now adjourn for exactly ten minutes. We will reconvene in this room in ten minutes to receive the brief from the Canadian Managing Editors Conference, in exactly ten minutes.

Thank you.

(Brief recess)

(Upon resuming)

The Chairman: Honourable Senators, the next witnesses are representatives of the Canadian Managing Editors' Conference. There are a number of them. This is why I am standing.

On my immediate right is Mr. Ivor Williams. He is the President of the Canadian Managing Editors, the chief witness. He is the Managing Editor of the London Free Press.

Other people are Bill MacPherson, Managing Editor of the Ottawa Citizen; Mr. William H. Metcalfe, Managing Editor of the Ottawa Journal; Mr. C. M. Fellman, Managing Editor of the North Bay Nugget; Mr. Robert D. Owen, the Editor-in-Chief of the Kingston Whig-Standard; Mr. Gordon Bullock, Managing Editor of the Hamilton Spectator.

Gentlemen, perhaps you have been here earlier today. Your brief was received some three weeks ago. It has been circulated to the Senators, presumably studied by them, so we can take it as read.

I should like to give you a few minutes, if you wish, to summarize or expend or explain or, indeed, to talk about anything else. You may use the time as you wish. If you do not mind, we suggest 15 minutes. You may talk about whatever you might wish.

Following that time period, we will ask the Senators to proceed with their questions which, I am sure you know, may be on content or on other matters.

Mr. Williams.

Mr. Ivor Williams: President, Canadian Managing Editors; Managing Editor, the London Free Press: Thank you, sir. Mr. Chairman, Honourable Senators, in response to this invitation of the Committee, the Canadian Managing Editors' Conference submitted information regarding the function of the organization, the membership and financing. A number of members have provided requested information individually.

Mr. Schrader of Ryerson Polytechnical Institute of Toronto advised me he prepared for your information a digest of the reports of the annual meetings.

The association exists for the professional interests of its members, and so forth—editorial improvement of Canadian newspapers. Our membership is composed of news-

paper executives whose basic responsibility is managing the news departments, of daily newspapers in most cases.

The Managing Editor is responsible to his Editor or to the publisher for the daily news content of the papers.

The Canadian Managing Editors' Conference plans annual meetings. Our function is to try to develop annual programs at these conventions for the professional interests of our membership.

With me today, Honourable Senators, are two past Presidents of our organization, our Treasurer, a Director, and our Program Chairman for next year's meeting, which will be held in Winnipeg. If there are questions regarding organization or function, we will be pleased to answer them.

The Chairman: Thank you very much. That is brief and to the point.

I think Senator Sparrow is going to begin asking you some questions.

Senator Sparrow: Could I ask what the total membership of your association is?

Mr. Williams: Memberships, sir, are based on attendance at the annual conference. It is, I believe, 46 at the meeting last year in Ottawa.

Senator Sparrow: There are permanent membership lists as such, or who do you notify that a conference is being held?

Mr. Williams: We have a list of all Canadian Managing Editors, who are advised and receive bulletins.

Senator Sparrow: You say in your brief that you hoped to make available bulletins to your membership. Would these go to the same group that you notify of the meeting itself? Is that correct?

Mr. Williams: Yes, sir.

Senator Sparrow: In your membership, do you notify the weekly magazines as well as the dailies?

Mr. Williams: No; we do not.

Senator Sparrow: This is strictly a daily newspaper?

Mr. Williams: Yes, sir.

Senator Sparrow: Why?

Mr. Williams: We have decided that our role is quite different to those of weekly edi-

tors. We prefer to function as an organization of the daily Managing Editors, rather than weekly.

Senator Sparrow: Have the weekly newspapers such an association as well then?

Mr. Williams: Yes; oh, yes.

Senator Sparrow: They do.

Senator Smith: I do not believe that one fellow is the Managing Editor.

Senator Prowse: Your problem is that one fellow is apt to be the whole staff?

Senator Sparrow: You refer to the fact that annual dues are \$35.00 paid by those members attending the conference. Do the publishers support your organization financially? Do they support the individual members attending?

The reason I ask is, are you receiving the cooperation of publishers for this organization?

Mr. Williams: I believe we are because of my conversations and the attendance that we have at our meetings.

Senator Prowse: Bills are paid by the firms; are they?

Mr. Williams: I believe they are. I never have taken a survey to determine this.

Senator Sparrow: You say in Page 5, number 20, "Our individual members at all times are directly concerned with the freedom of the press in general..."

You use the word "concerned." What are your concerns at the moment? What are your concerns so far as freedom of the press is concerned?

Mr. Williams: The association has no role in this. I meant in that to refer to our individual membership in their own job functions.

Senator Sparrow: Have you further comments than that on "freedom of the press"? The way that is worded, it seems to be a general statement of concern, of concern of freedom of the press. You say it is not; is that correct?

Mr. Williams: I would like to read it again, sir, if I might. "Our individual members at all times are directly concerned..." This is in their own job functions and their individual

newspapers. We have discussed, of course, in our association, freedom of the press.

Senator Sparrow: What freedoms concern you individually then?

Mr. Williams: I think there is a freedom that we have spoken about before, that the press in itself has no freedom that the individual does not.

Senator Sparrow: All right. On Page 3, Number 7, you state "Our programs have been planned to assist managing editors in anticipating changes in technology which have, and will, affect their responsibilities..."

What technological changes do you foresee that vastly affect your jobs at the moment and in the foreseeable future?

Mr. Williams: I am speaking personally now, sir. I believe technological changes will change the Managing Editor's responsibility for hiring and selecting of the staff. I think technological changes will have great effect on the role of the Managing Editor.

Senator Sparrow: After your deliberations at these conferences, would you think that your publishers cooperate in having and implementing recommendations and suggesting that come out of such a conference?

Mr. Williams: I have no knowledge on that. I have no knowledge of how this is applied to other groups.

Senator Sparrow: Well, the purpose of the conference is to have a better newspaper, I would think.

Mr. Williams: Yes; yes.

Senator Sparrow: Does it in fact accomplish that task?

Mr. Williams: We feel it does, sir.

Senator Sparrow: That is all. Thank you.

The Chairman: Senator Smith.

Senator Smith: There is a question that is on my mind. I believe it is accepted that your responsibility is with people who form this association and are in the area of managing the news department. This leads me to a question that must be of great concern to you; I would like to have you give a few of your comments on it.

What problems have you encountered in the last few years in acquiring the kind of staff that a Managing Editor would like to have on his newspaper in the profession?

Mr. Williams: There again I am here as President of the Managing Editors' Conference. We have not discussed this. It may be that those who are with me will appear again as individual Managing Editors of their own newspaper.

Senator Prowse: May I interrupt?

Senator Smith: Certainly.

Senator Prowse: Mr. Williams, you are here as head of a very important organization. You also have a great deal of responsibility yourself. We are trying to get information about what is a very complex thing, but a very important facet of our temporary community or society here in Canada.

Now, I know you do not want to be pinned down but you are not going to be pilloried for anything you say. You have a tremendous amount of experience at your finger tips. It will be most helpful to all of us, and much simpler for all of you, if we can get away from any idea that have to protect yourself here and if you could be completely frank with us and say, "Well, I do not know; I cannot speak for everybody." Let us have your personal opinion.

The Chairman: I am grateful to Senator Prowse's observation. I think it is a fair one subject to the observation that I do not think Mr. Williams thinks he is going to be pilloried.

I think the point Senator Prowse is making, and it occurred to me several times this morning, is that you are here as the Chairman or President of the Managing Editors' Conference and we would like you to speak in that capacity. We quite appreciate the dual role which you occupy. We are not asking you questions in your capacity as Managing Editor of The London Free Press or, indeed, any of the Managing Editors.

I think that we would hope that you could express views as Chairman of the Conference.

Does that say it properly?

Senator Prowse: I am not suggesting anybody is going to be pilloried. There seems to be a background—everybody seems to be very, very careful. What I say is a witness has been carefully briefed by his counsel not to do any more than barely answer the question. Now, we want a little more than that, please. That is what I am saying.

The Chairman: I think, Senator, in fairness to this witness and other witnesses who

represent a conference or an association, they are in a strange position. We appreciate that.

Therefore, let us go back to Senator Smith's question. Do you want to frame your question again?

Senator Smith: Let me give a little background to the question. I have been thinking it must be rather difficult to get people who are able to participate after some on-job training and be capable of going out on the police beat or city beat, then come back into the editing desk and make themselves useful salaried people on a newspaper staff.

I am wondering in the comments that you might care to make whether your conference discusses problems of this kind, whether it discusses ways and means of perhaps making it more simple to obtain educated journalists and the kind of staff that you like to have on your newspaper.

Is this not of some concern? If you do not discuss it, you must not have problems on it.

Mr. Williams: We do discuss it at great length. We discuss the methods used by experienced editors from across the country of recruiting from campus newspapers, journalism schools and such, which are quite different.

Almost every university has a newspaper. Ambitious young students may be enrolled in any one of the disciplines and may be working on the newspaper. We wonder whether or not we can attract them to our business. We contact the institutes, such as Ryerson, which has plenty of journalism courses.

We discuss among ourselves the progress that people from the various schools are making, as well as better ways of attracting young people to our business. Some newspaper organizations and individual publishers provide scholarships for this purpose. We discuss all of the things that go into job satisfaction really.

Perhaps I could field this question to my colleagues, too.

The Chairman: If any of you other gentlemen wish to chime in, please do.

Mr. C. M. Fellman, Managing Editor, North Bay Nugget, North Bay: I think it forms a great deal of the deliberations of our organization. We spend a good deal of time talking back and forth amongst ourselves on how to get good staff and, after getting them, how to train them and hold them.

I myself have picked up pointers from other men at the conferences that have helped me a bit. I hope, perhaps, I have given them tips that will help them. This business of trying to get the right person and people is a very important part of our conference.

The Chairman: Senator Smith?

Senator Smith: I really am quite satisfied with the answer. I would hope that you exchange ideas and this sort of thing. I would have expected you to paint a pretty difficult picture on the great competition that exists for the kind of people you might employ on your staff.

For instance, these people can jump into a pretty good position with the public relations firms or jump into television journalism or radio journalism—after you have then trained a little. I should think it would be one of the most difficult things you have to deal with at this point.

Mr. Williams: Many people do not feel that to jump into public relations or to another type of journalism really is that attractive. We try to make the written word as attractive and profitable as we can for the people who are involved in it with us.

Senator Smith: In other words, you do not think you lose too many because your salaries are not high enough and another medium might be able to steal them because of the attraction of higher incomes?

Mr. Williams: In my personal experience again, it is not true. In fact, the flow is the other way now. Some people are leaving other organizations at a higher rate of pay because of the satisfaction of working on what I consider an excellent newspaper.

The Chairman: Senator McElman.

Senator McElman: Yours would be the body, I would think, which best could discuss the caliber of the service you are getting from the news-gathering service. How do you, as an association, consider the level of service you are getting from Canadian Press?

Mr. Williams: We never have had a direct relationship between our conference and the Canadian Press. The Associated Press Managing Editors in the United States has a direct relationship with the Associated Press there.

In their normal function, our members have a very close relationship individually with the Canadian Press. We regularly meet, at circ

meetings and some annual meetings, members of Canadian Press and the performance of the agency is assessed. We never have gone deeply into it in our organization.

The Chairman: I think Senator Macdonald has some questions.

Senator Macdonald: I just am wondering how effective an organization you are trying to have. I notice your conference is financed by a payment of \$35.00 a year by those attending the conference. There were 45 attending the conference.

I do not think you are going to do a great deal of work on something around \$1500 for a budget.

Mr. Williams: This is one of our faults as an organization. We do not continue our functions throughout the year, but we try to make our two or three day conference as meaningful to those individuals who can attend as possible.

If we can get a good speaker at a very low price... We do operate and it is surprising how profitable our annual meetings have been, sir.

Senator Macdonald: I think I would be surprised.

The Chairman: Senator McElman.

Senator McElman: I see they have some of the politicians as speakers. They must be cheap politicians.

The Chairman: I was going to ask something to follow Senator Macdonald's point. Is the conference the sum total of the work of the Managing Editors' Conference? From conference to conference, nothing happens except to plan the next year's conference?

Mr. Williams: That is true, sir, except for personal contacts.

The Chairman: You mentioned Professor Schrader's paper. It is indeed an excellent resume of the Managing Editors' Conference going right back to the first one. Is this a fair observation: At the Managing Editors' Conference, useful projects are planned and set forward in ideas, but understandably, because you only meet annually, there is no follow-through?

Mr. Williams: The projects are not planned. In the type of discussion we organize, there is normally a day-long discussion where groups

of editors of similar size circulation discuss many problems which are of concern to them.

It is surprising how the same problems affect the small newspapers and the large newspapers. At the end of the discussion, we come in and the Committee Chairmen report on the suggestions that were made in the discussions that were held by the individual groups.

We often find that a large newspaper has had a problem that has been solved in a very small newspaper. We find these discussions are very helpful to us.

It may be a matter of regret to us that we do not have a continuing organization throughout the year.

The Chairman: Is that a source of regret?

Mr. Williams: Personally, I would hope eventually we have a more continuing relationship.

The Chairman: Meeting three or four times a year?

Mr. Williams: No; no. A more continuing relationship, some contact, some exchange of views and attitudes around the country.

The Chairman: Senator Prowse.

Senator Prowse: I gather that at the present time your conference merely provides a facility where Managing Editors, who are people with presumably the same kind of problems, can get together with their counterparts from across the country and discuss the problems.

Mr. Williams: Yes; exposure to new views, too.

Senator Prowse: There is a two-way thing to it?

Mr. Williams: Yes.

Senator Prowse: You may pick up answers to problems you may have. You may be trying to get some information that will enable you to anticipate a problem. This is as far as you go?

Mr. Williams: We try to anticipate problems by attracting to our meetings speakers who can talk about problems which we may not have met yet.

Senator Prowse: Now, on the other hand, I think this is the pity: The Managing Editors, as I understand it, are the people who decide what goes into the newspaper.

Mr. Williams: That is the function on some newspapers, sir.

Senator Prowse: Generally?

Mr. Williams: In most cases, on most large newspapers, we have to delegate the responsibility. It is too much for one man.

Senator Prowse: Delegate down, but finally, you are the fellow who answers to the publisher if something goes wrong on the news end of the paper. You are the fellow that has to have the discussion.

Mr. Williams: Yes; that is true, the publisher or whoever we are responsible to.

Senator Prowse: So that in the country where we are dependent to the extent we are, and we must be today, on what we read in our newspapers, your group are the people who decide what the Canadian public are going to read daily, or who are responsible for what they read—maybe I had better put it that way. TV and radio people will forgive me if I leave it at that.

Mr. Williams: Our individual members, perhaps; not the group.

Senator Prowse: It is the individual members that make up your group. I am dealing with you as an organization.

Now, we are concerned about whether Canadians are getting the kind of information that they ought to get. If they are not getting the kind of information they ought to get—and maybe they are—what specifically might be done by not just the Government, but by anybody else? Can you think of anybody that would be better able to advise us than your collective membership?

Mr. Williams: I think the whole industry must share this responsibility, sir, and not only our own role as Managing Editors.

Senator Prowse: Your job on papers, particularly, would be to argue for example with the publisher about the wages of boys in the editorial and news departments.

Mr. Williams: And the space in the newspaper.

Senator Prowse: And how much space we are going to get.

Mr. Williams: And the type of material we publish in the news services that are available to us, those that we could buy that are commercially oriented newspaper services that are available.

Senator Prowse: Now I will put this question out to any one of you gentlemen. Would you say the news that is being given to the public through the newspapers today is being adequately provided, or do we need a better calibre of person in there?

The Chairman: Better calibre of person where?

Senator Prowse: As a reporter and news writer and editorial writer, all of the way through. I do not give a damn about the advertising end of it. I mean this is business and this is going to go one way or another.

I am interested as a Canadian in what we get in the news because it affects our thinking and judgments and social attitudes. Now, are we doing a good job; could we be doing a better job? If we are to do a better job than is being done, what is necessary? Schools incentives, or what?

Now, it is a 14-barrel question. I am sorry. I think it opens a field that maybe we will get a little help from you here on.

Mr. Williams: Well, in my opinion, I believe Canadians are well served by the media. I believe we have excellent newspapers. We have an opportunity from time to time to visit with American managing editors and I am delighted and proud of our product that we have in Canada in most cases.

There are newspapers who are excellent and some less excellent. There are good stories in most newspapers; there are poorly written and poorly edited stories. There are poor headlines. This is not entirely due to staff shortages. We are producing a new product twice daily, many times daily in many cases.

The human element is very real in the presentation and editing of news. We are attracting to our industry now, a higher quality of individual. I believe generally, our publishers are allowing us greater budgets with the scope to provide more news space in the newspaper when necessary.

I think very few publishers in this country would deny a Managing Editor's recommendation if he felt he needed an extra two pages in a paper to cover a given story. Yet there are Managing Editors who would suggest they needed that extra space all of the time.

We realize we are competing for the reader's time, too. The reader only reads so much. We cannot fill the newspaper with junk. We try to fill it with pertinent information.

My answer probably is more ambitious than your question.

Senator Prowse: No; it is fair enough.

Mr. Williams: I am sorry for it.

The Chairman: Would anybody else care to speak to that question?

Mr. Robert D. Owen, Past President of Canadian Managing Editors' Conference; Editor, The Whig-Standard, Kingston: I would, for a minute. I am the Editor of the Kingston Whig-Standard and immediate Past President of this Canadian Managing Editors' Conference. I have been devoted to it since its inception. I have a feeling that the Senators here, and the listeners too, have a feeling that the Managing Editors' Conference is some sort of three-day break from a rather monotonous session or year or period or whatever you like to call it. It is not so.

The Managing Editors' Conference is pretty serious; it is a dedicated organization. I have attended all sorts of newspaper meetings and conventions on this continent and I never have attended one that pays so much attention to work and so little attention to fun, though our agenda looks rather slim.

Certainly if you are not a newspaper editor, to see that we began a session at nine and adjourned at noon, it looks like a pretty light day.

The Chairman: Except the noon hour.

Mr. Owen: Yes.

Senator Prowse: That is one you could have got along without.

Mr. Owen: It does not just stop at noon. We have all kinds of meetings of circulation groups, as Mr. Williams said, and more so.

Really, many of the talks are among newspaper people themselves in rooms and in hallways. I do not think the planned programs, as such, are very impressive when you look at them because they seem pretty dry. However, they have relevance to the whole newspaper business, the daily newspaper business.

Our concern mostly is in keeping abreast of new trends, certainly trying to attract better types of people into the news rooms. For my newspaper, and I am sure for almost all, I can say that we now do not hire people unless they are journalistic graduates either of a polytechnical school—such as Ryerson, or of a university, or at least an arts graduate.

We are raising our sights. We think our readers are becoming much more alert and much more aware of what goes on. I think newspaper readers also read and observe more than they did 10 or 20 years ago for various reasons.

Much as I hate to mention the word, television is a very constant and prominent part of our lives. I believe that newspapers today are much more seriously concerned with informing people, not just entertaining them.

I hate to sound like a preacher, but I feel the call. We are doing a very serious and honest job and trying to turn out the very best newspapers we can. My little newspaper is expanding constantly its newspaper coverage and the amount of space given to news. As a matter of fact, I think that the Kingston Whig-Standard has the largest so-called news hole of almost any newspaper in Canada. We are running about 60 per cent news on an average and will continue to do so. I hope there are others.

Senator Prowse: No commercials by the Whig-Standard. We will get a good argument going.

Mr. Owen: Well, I have said enough. I just want to try to make it clear to you that the Canadian Managing Editors' Conference is not a fun thing. We try to do the best we can to make all of the newspapers better.

The Chairman: As a past President, what would you say the greatest single achievement of the Managing Editors' Conference over the years has been?

Mr. Owen: I think to make newspaper editors aware that their occupation is a pretty serious one and a demanding one that never eases up. I am sure that 20 years ago, lots of editors thought if they could get the papers out by noon, and may be wrestle through a second edition, and forget it, that was okay.

However, I do not think that is true any more. I think we are all trying to do better, not just today, but better between editions.

The Chairman: I think Senator Everett indicated he wanted to ask a question.

Senator Everett: Mr. Williams, in the last brief that was submitted to us by the American Newspaper Guild, they spoke of the "unfair criticism of newspaper men for unsophisticated and occasionally inaccurate reporting of extremely complex and specialized subjects."

This criticism they said is "unfair to journalists who are not allowed sufficient time to research a subject or enough time on the specialized news beat to develop a thorough and sensitive understanding."

They enlarged on this statement and more or less concluded with the statement that "too many affluent newspapers still are operating with skeleton staffs and demanding impossible interpretative, in-depth reporting jobs of junior and over-worked people."

Could you tell me whether or not your association agrees with that statement, or if in fact they have discussed it at all? If they have not, could you tell me what your own personal views of that statement are?

Mr. Williams: First of all, we have not discussed it at all, sir. I guess I overheard it this morning or afternoon. I suppose there are newspapers that operate with such a tight staff. They have to perhaps. Maybe they cannot develop the trained specialist.

In my own opinion and experience, it is not a problem. We have reporters that we have been able to break off for four weeks very recently and still haven't seen the material he has written. We assigned him to do a special job.

We sent him away and we know he will come up with it. We know it is worth waiting for. We felt we could spare him for this period of time for in-depth reporting. We know it will be well-documented. It will not be a hurried job. We will display it in the newspaper when we get it.

I do not think anyone can say generally newspapers are understaffed or generally we are not able to develop specialized reporters or that we are rushing too much into print. I do not believe that that is the case.

Senator Everett: One of the criticisms I have heard is that if a reporter gets a lead on a story and he might require, in order to develop that story, four or five days of research on that particular story, many newspapers are not prepared to pay for the investment in time to take him off his normal beat and put him on that story.

Would you agree or disagree with that statement?

Mr. Williams: I would say I would disagree on the basis of my own experience.

Senator Everett: Could you tell me the feeling of the Managing Editors is generally? You

must be in touch with it through these conferences. Is this a problem with papers or do you find that papers are generous with their funds in permitting reporters to follow up special leads or to research special subjects?

Mr. Williams: In my opinion, yes, we do have the resources to do such special projects.

Senator Everett: I know you have the resources, but does the publisher allow you to employ those resources?

Mr. Williams: Yes.

Senator Everett: Would that be the general view of all of the Managing Editors here?

Mr. Williams: It would be on the papers I have worked for, but I think it quite true that many papers do not devote the length of time they should to research. It is questionable.

Senator Prowse: They may not even have the facilities to do it.

Mr. Williams: Well, some of them would not. Some would not even know if they did.

The Chairman: Senator Everett.

Senator Everett: I think Mr. MacPherson has something.

Mr. William MacPherson, Managing Editor, Ottawa Citizen: It depends on resources available on any individual newspaper and they vary vastly of course; primarily depending on the size of the newspaper.

I think that so far as the conference is concerned, I suspect there would be a unanimous vote of approval of the opinion that reporters, if they come up with leads, should be given all the time they need to develop that story. I think that the Managing Editor generally would agree that that should be done.

Now, they might not in their own particular circumstances be able to do it. They might just not have the resources, but my guess would be that certainly the vast majority of the Managing Editors would be aiming towards the situation where they could devote to his resources.

Senator Everett: You are mostly an Ontario organization; are you not?

The Chairman: Senator Everett is from Winnipeg. Do you want to comment on that?

Mr. Williams: Just a lot of imports.

Senator Everett: But are there any of you there who feel that on your own papers the resources are not available to you to follow up leads and do the necessary research and turn out a good paper?

Mr. William H. Metcalfe, Treasurer, Canadian Managing Editors' Conference; Managing Editor, The Ottawa Journal: Well, it is a relative thing. Certainly the resources are available to me on the Ottawa Journal to do the kind of a job—not as much as the Globe and Mail because their resources in staff are much greater than mine. You have to figure this out. Within the limits of the staff and the establishment, I would say that our reporters are pretty good.

I think it is the same with Mr. MacPherson.

The Chairman: What about Senator Everett's point that you all are from Ontario? Is that an accident?

Mr. Williams: It happens by volunteering, eally, sir.

Senator Prowse: It is a matter of appreciation.

Mr. Williams: Our executive members are spread from Saint John, New Brunswick—at his time—to Vancouver, British Columbia. Most of them attended a meeting in Montreal about a month ago when we discussed, among other things, the presentation of this brief.

At that point, I was delegated to appear. I asked, "Who will come with me?" and fortunately, the people from Ontario said, "Yes, we can come."

Senator Prowse: It was a matter of "We can come." The important thing was "can".

The Chairman: At the May 1969 meeting, you had 45 members attend?

Mr. Williams: Yes.

The Chairman: Was there anything significant about the geographic breakdown of where they were from?

Mr. Williams: They were spread from across the country. We have found if we meet in Halifax, we will have some members from small newspapers who we would not see in Vancouver.

Similarly, in Vancouver, we will have members from small newspapers who can attend from a shorter distance.

The Chairman: Senator Bourque.

Senator Bourque: Being a French Canadian coming from Quebec, I was just wondering this. You had in 1968, 44 members and then 45 in 1969 attending the conference. I was just wondering what the proportion of French Canadians would be attending the conference—or would there be any?

Mr. Williams: Sir, we do not break them apart. I am trying to recall the number. Individually, we had perhaps eight representatives of French language newspapers, in that proportion.

Senator Bourque: Eight representatives; that would be about 20 per cent or about 18.5 percent?

Mr. Williams: Yes.

Senator Bourque: Well, I am interested in a better understanding between all of the elements of the population of Canada. I was just wondering about the fact that as I was looking it over, I found not one French Canadian on that list.

Now, we have Montreal *Matin*, *Le Devoir*, *La Presse*, the *Petit Journal*, and all these different papers. They do not send representatives to the Conference?

Mr. Williams: Yes, they do. I would not be here today except for the retirement of the Managing Editor of *La Presse* about a year ago. He was First Vice President and would have become President this year. He retired from his role as a newspaperman and from the organization.

Otherwise, we would have a French-speaking President this year.

The Chairman: I think Senator Bourque had another question.

Senator Bourque: Well, I was just wondering if it would not be a fair thing in the midst of this organization if they had a French Canadian there representing one of these papers. It might be a way of bringing the French press into having an interest in this.

The Chairman: I think in fairness, Senator Bourque, they did indicate that there were eight, at least, Managing Editors at the last conference. As I understand it, at the meeting which arranged for representation of that organization at this meeting, presumably none of those people volunteered to come. They were not excluded, of course.

Mr. Williams: Of course not.

Senator Bourque: They were invited?

The Chairman: Presumably, they had the opportunity of coming.

Senator Bourque: It is regrettable they did not come because it would have been to their advantage to come to this meeting. If they had any grievances on anything, they could have presented them so that we could know what the situation is in the newspaper world.

The Chairman: Well, I think, Senator Bourque, that I take your point that it is regrettable that they did not volunteer to come as part of this particular delegation; I do not think we can be critical of this delegation because they are not here.

Senator Bourque: I am just asking if they were invited and if so, why did they choose not to come?

The Chairman: I think also it is very important to assure this to you: They will be coming to subsequent hearings in the course of some this week, some next week, but not as part of this delegation.

Someone else has his hand up. Mr. Fortier.

Mr. Fortier: Mr. Chairman, Mr. Owen referred to the impact of television on the newspaper. Could he give us specific instances of the ways in which newspaper journalism has changed in recent years because of the advent of television?

Mr. Owen: Television is on the scene instantly. I am talking, of course, of live television. They film something that is happening at this moment, such as the business in Chicago during the Democratic Convention. That gave a new aspect, I think, to newspaper reporting because a great number of people saw exactly what went on.

Therefore, I think as a result—not directly because of that, but because of that instance as compared to the fact—television is on the scene and does tend to make newspaper reporting more careful, more specific and certainly deeper than just a fill or something.

A newspaper reporter does vastly more, I believe, than a television camera because the reporter tries to tell the people, who either saw or did not see what the television camera showed, what went on behind it—before the event, during it and after the event.

Certainly, anything that brings news more readily into our perception should, I hope does, improve the reporting of these events.

In that way, I think perhaps television has been of some assistance certainly. I repeat, I think conscientious reporters have to be more sure of their facts and certainly more concerned with telling people why a thing occurred. Then, having assumed that the people reading it, saw it, what happened afterward.

Well, really, you do not have to be quite so serious as the brutality in Chicago; just recording a football game, the Grey Cup, that most people perhaps saw on television. I saw and read about it with the greatest interest. I wanted to see if my eye recorded what the reporters saw. Sure it all helps.

The Chairman: Did it?

Mr. Owen: Yes; in part. There was one fumble I was not sure about.

Mr. Fortier: Has Mr. Owen in mind that possibly prior to 1953, newspaper journalism was not as exact as it should have been?

Mr. Owen: You could read the implication into what I said certainly because what were the criteria, who was the critic?

Mr. Fortier: That is a very interesting example of adaptation by newspaper journalism to the electronic media. Are there other instances, Mr. Owen, that you would care to elaborate upon?

Mr. Owen: I am not going to get into an academic discussion on this subject with you or anybody else.

Mr. Fortier: We just want to hear your views.

Mr. Owen: Right. As clearly as I can express my views, I have expressed them. I do not think any newspaper owes anything to television. I think television probably owes a great deal to newspapers, but it is all a media or a medium, if you wish. Surely, it is not fair to say that because in 1952 there was not any television that newspaper reporting, as a result, was sloppy, inaccurate. I never said that. I certainly would resent anybody who implied it.

I would resent anybody who implied I said that. Newspaper reporters today, as they would have done 20 years ago, try very seriously to present a sensible picture to their readers of what happened. Now, you could say the same thing in the news picture.

Mr. Fortier: In your opinion, would you say television does a good job of reporting news, all things being relevant, or does a newspaper do a better job?

Mr. Owen: You are not going to trap me into that one. That sounds like Mr. Agnew and I do not want to be bothered with him. Television reporting is fine in certain areas. I think that because I am a newspaper man that I would say the way to find out what really happened is to read it in the newspaper.

Mr. Fortier: Would you care to answer this question, Mr. Owen? Do you find in a given community that a newspaper appeals to the same audience as television?

Mr. Owen: In a given community?

Mr. Fortier: Yes, such as Kingston. Do you find an overlapping audience?

Mr. Owen: Well, I hope so. They are either reading the newspaper or—surely you are not suggesting they read the newspaper or look at television?

Mr. Fortier: I am asking if in your experience, there is a segment of the population that does one or the other?

Mr. Owen: No. In my experience, there is no such segment.

I am not aware of it. I certainly think our circulation increases and I know that people watching television watch it more. I could not say that there is any overlapping.

Mr. Fortier: Has newspaper journalism had to adapt itself also to the evolution of radio news?

Mr. Owen: Yes; I think so.

Mr. Fortier: In what way?

Mr. Owen: Well, I think that newspaper reporting has evolved. Now, whether radio or television spurred it or not, I really do not know. I think it has, but I think more and more newspaper editors, such as I, allow reporters to speak freely, much more so than we did even 10 or 15 years ago.

However, it is such a delicate line between interpretation and editorializing that we all are frightened of allowing a relatively inexperienced reporter to make sort of asides or interpretation of what someone said. So we—newspaper editors—do not encourage that sort of thing, but I think it is a natural thing

that newspapers more and more try to tell the reader, not only that Joe said this, but that Joe works in that job and therefore, there is some relationship to what he said because of what he knows.

I think that is reasonable interpretation or sort of enlargement of the story. Certainly radio and television does it all of the time. I think both of those two mediums express opinions editorially as they go about their reporting far more freely than newspaper people are allowed to do.

I think it is a weakness of both radio and television because I do not think you can make an immediate analysis. Well, you remember Nixon's speech on November 3, I think, and the blast that television people got for immediate interpretation.

I think a newspaperman, sitting down for a couple of hours and really looking at the script and thinking carefully about what he had heard and knowing his background, could make a pretty reasonable report.

Mr. Fortier: And still get a blast like that from the *Washington Post*?

Mr. Owen: Sure; that is fine. I think that the worst thing that could happen to newspapers is for people like that not to get up and say those terrible things—"If you don't agree with me, you have to be wrong."

The Chairman: What about a Senate Committee?

Mr. Owen: We are delighted.

The Chairman: I think Senator McElman wants to ask a question.

Mr. Fortier: I am sorry. I have one last question.

The Chairman: Perhaps you could ask it and then Senator McElman can ask his.

Mr. Fortier: Directed to Mr. Fellman—Desmond Morton of the *Canadian Forum* recently said, and I will quote, "It doesn't matter whether the North Bay *Nugget* is owned by Roy Thomson, Max Bell, or the local hardware merchant, they all represent the same business interests."

Do you agree with that statement?

Mr. Fellman: Well, it is not owned by any one of those people in the first place. No; I do

not agree with that statement. We do belong to a group of newspapers, but I cannot, for the life of me see how any newspaper—particularly in our category—could have more independence or more autonomy than we have. I say that in all honesty.

Mr. Fortier: Well...

The Chairman: Mr. Fortier, do you want to explain the question more fully?

Mr. Fortier: Yes. What I really...

The Chairman: I would like Mr. Fortier to explain his question.

Mr. Fortier: Well, Mr. Morton implied that in any given community, particularly in a relatively small community, the newspaper represents the local business interest. This is the way I understood the statement. My question is do you agree with that.

Mr. Fellman: I do not agree with it. If he is implying that we are influenced by local business, I certainly...

Mr. Fortier: But it does not matter who the newspaper belongs to, whether it belongs to a group, to a chain, or local people, it is always representative of the business interests in that community.

Mr. Fellman: We certainly are dependent on local business to keep publishing.

The Chairman: I think Mr. Morton's article which I recall was saying that—would suggest to a committee like ours which is examining the ownership of newspapers, whether they belong to which company, which company owns how many papers—this is an academic question or exercise because really it is the same kind of people who own all of the newspapers in Canada.

It seems like Mr. Fortier related this to the North Bay *Nugget*. I think the question specifically is do you think the same kind of people own all of the newspapers in Canada.

Mr. Fellman: Well, I think there are better owners or proprietors on some than on others, certainly.

The Chairman: I think that probably is reasonable.

Senator McElman.

Senator McElman: Yes. The Guild made quite a point of secrecy of source of information to the newspaper reporter or journalist.

What is the attitude of your conference on that?

Mr. Williams: It never has been a problem except for the recently mentioned cases where a newspaper reporter or editor had to go to jail for refusing to identify a source.

It comes to the question of whether he justifies his story directly to the reader, but to his editors and there may be several. There may be a City Editor or whatever. The story is judged before it goes to the reader. It becomes a matter of taste, whether it is in good taste or fair.

I think if the story stood the test of fairness and accuracy, there is no concern about the source. If it fails that test, then the story should not have been published, in my opinion.

Senator McElman: I do not think you got the import of the question. Okay, say it is a criminal case; somebody is charged with an offence. There is a trial and a newspaper reporter said such and such a thing. You put this in your paper. You say to the reporter, "Where did you learn that?" He will say, "I have to protect my source and I will protect my source and be in contempt of court and go to jail."

Mr. Williams: It was an error in publishing something that might be considered evidence in the first place. There again, this would have failed the test; an editor would not have used it. He would have said, "This will put us in contempt. We will be liable if we use it. It is pre-trial evidence."

Senator Prowse: If a paper wants to publish something, they are going to take the risk if they think it important enough to be published.

Mr. Williams: If it is important enough.

Senator Prowse: If you are satisfied it is true and it is important enough to publish, it will be published and to hell with what happens.

Mr. Williams: Yes, sir. The defence normally is truth.

Senator McElman: Apparently you were not here when the Guild meeting was discussed.

Mr. Williams: Yes.

Senator McElman: Well, their suggestion was perhaps this should be written into law,

such a protection of source be provided in law. Do you feel that is necessary? Do you feel it was worth consideration?

Mr. Williams: I am afraid I have not given sufficient consideration to make a judgment which would be a snap judgment. I think it is not necessary because it is not something that has been proven necessary. I could be wrong.

Senator McElman: Well, there are current cases that have just been brought before the courts.

Secondly, what attitude would your organization take towards a press council, not with Government intervention, but a self-policing type of press council—such as they have currently in the U.K.?

Mr. Williams: We have discussed this many times. There is a great deal of divergence of views of the Managing Editors. I think among publishers or anyone in the country, individually, many of us favour some.

Generally, I believe we do not see a national press council. Some people favour a purely local press council; others say it should be regional. We have not reached agreement on it and I do not think we will do so.

Senator McElman: You would have no recommendation as an organization at this point?

Mr. Williams: We have taken a very close look at the press council that is functioning in Quebec. Some of our members do favour such an organization provincially. Others think it should not be provincial. Some think it should be local. The association has taken no stand on it.

The association is not a policy-making organization. Whether that is right or wrong, I am not prepared to say. We have made very few recommendations. Personally I think we should, but we are not going to discuss that now.

We never have submitted any formal recommendation or resolution in connection with our profession. We did take one little stand two or three years ago on people in the business seeking greater access and I think it was a measure of success.

That is the only time I can remember during the 20 years I have been a member.

The Chairman: Senator McElman.

Senator McElman: Having heard the Guild today, is there any preference among Managing Editors for guild or...

Mr. Williams: I am sorry.

Senator McElman: Is there any preference with Managing Editors for dealing with Guild or craft unions?

Senator Prowse: They do not have the choice.

Mr. Williams: I would assume, sir, most individuals would hope for as much freedom to manoeuvre as they can. Anything that restricts their ability to shift people to where they can be used for the greatest advantage for the ultimate product would be a confining restriction on that. As far as our own organization, I have no experience in this line. Perhaps one of the other gentlemen who has more experience in crafts would like to say something.

The Chairman: Do you care to comment on that, Mr. MacPherson?

Mr. MacPherson: Just to make sure I understand the question, you are saying as between the two types of unions, which would we prefer?

Senator McElman: Yes.

Mr. MacPherson: Well, I am not aware of any situation whereby a Managing Editor would deal with a craft union. If he is dealing with a union, it certainly would be the ANG in this country, invariably.

Senator Prowse: Is there any other union that is organizing in that area?

Mr. MacPherson: No; by and large no.

The Chairman: Does the Managing Editors' Conference enjoy any relationship with the Canadian Daily Newspaper Association?

Mr. Williams: Some of our members of the Managing Editors Conference are, because of their role in their own newspaper, members of CDNPA. However, there is no direct relationship.

The Chairman: I would like a comment again. Perhaps I am repeating; I apologize. In reading your brief and in listening to presentations, it seems to me that there is a great deal of merit in the Managing Editors convening annually.

Undoubtedly you feel it is of benefit to yourselves, and I suppose that as a by-product of that, it is of benefit to the people who are reading your newspapers. Would you comment on that?

Again I come back to the fact there is no continuing forum; there is no continuing representation. I wonder why.

Mr. Williams: Because of the role of the individual in other organizations, we feel there is a lot of continuity built in to the Canadian newspaper industry, some through their involvement with Canadian Press, some through CDNPA—but Managing Editors, no. We never have established the machinery; we have not felt this was an important role for us to take.

The Chairman: And you do not feel it is?

Mr. Williams: I would like to see more continuity.

Mr. Fellman: There also is the problem that the Managing Editors, whatever decision they may take, may be working in direct opposition to the man they work for, the publisher.

The Chairman: Does that happen frequently?

Mr. Fellman: It does with me.

The Chairman: Senator Prowse.

Senator Prowse: I was a little impressed this morning when the CDNPA were here. They obviously are interested to see where the money comes from and they have a well financed and well oiled machine for the purpose of making sure the flow is continuous and amply increasing.

Yet, from a social point of view, I think probably we have a greater interest in what you are doing which is the supply of news.

This would be your concern. Ours, I suppose, is it would be interesting to have your answer to it. Would it be possible or desirable to have a section of the Canadian Daily Newspaper Association given over to the particular types of problems that you have to deal with in your day-to-day operations? In other words, the type of people that you have available as staff and the problems you have in getting news, questions which come to my mind about access and diversity of opinion.

Mr. Williams: I think the function of each of us is in our own organization.

The Chairman: Senator Prowse.

Senator Prowse: But I was wondering if you had given any thought to it. It is pretty obvious this morning that one organization is well financed and you are not, which I think

almost leads you to come to the conclusion that something must be important enough to put some money up and something else is not important enough to put money up for.

Mr. Williams: I am sure that if our organization were scheduled to dissolve for lack of funds, we would receive the needed support, if not from CDNPA, at least the individuals who are members of CDNPA.

As of this moment, we have needed none of this support, sir.

Senator Prowse: You problems are at your local level and there is some value in the interchange of information, but you do not really have a common interest right across the country like they have, dealing with national advertisers. Would that be a fair statement?

Mr. Owen: Well, I do not think it is a fair statement at all. I think our organization, our interest in across-the-country news is equally as great as the money-hunting members of the CDNPA—and the President is sitting immediately behind us, so watch yourselves.

Just because we do not spend an awful lot of money on our conference, surely that is not an indication that it is pointless or useless or even under-subscribed.

As Mr. Williams says, I know, at least I hope I know, that if the Canadian Managing Editors' Conference suddenly found themselves desperately in need of money, destitute, that our publishers would leap to our defence, even at the cost of the CDNPA treasury. I may be speaking a little enthusiastically. At least there is a possibility.

Senator Prowse: The next question I have has to do with one of the problems that everybody is aware of—certainly you are, and we are becoming aware of it. There seems to be a growing necessity for there to be one-newspaper areas out of Toronto, Vancouver, Winnipeg, Montreal. Nearly all of you operate in one-newspaper areas.

Now where you have in mind the importance of what you are doing in putting out the information—also keeping in mind the fact there is increasing tendency for the newspaper to be the in-depth and interpretive section of the news provision—how do we deal with the problem of maintaining your credibility? When you are in that position, you immediately become suspect. I am not saying

you are necessarily, that you ought to be suspect, but people tend to be suspicious of one newspaper.

Now the question is how do we provide access of people to the newspaper columns without throwing away what has to be somebody's right to decide what is printed, and at the same time, insure that there is complete diversity of opinion or as wide diversity of opinion as possible so that the individual member of the public who is going to have to make up his mind will be able to base that on as wide as possible a diversity of opinion?

Have you given any thought to that question because I think it is a real one?

Mr. Williams: Sir, we must not assume because a newspaper happens to be the only one published in its community that it is without competition or its readers are without alternatives. There are many sources of information for our readers. To prove that, we provide opportunities for dissent.

I think the reader has to decide for himself. On the newspaper we encourage dissent. On our own newspaper we seek other opinions for our editorial page. When we are presenting one point of view, we try and get the other side. If we are covering a labour dispute, we make sure we get labour and management sides.

The reader must see this. I am sure if we did not, if newspapers generally did not provide the complete story, the readers would not be fooled. They would know very quickly and the newspaper would fail.

Senator Prowse: Would there be any value in having a provision that is similar to the one they have in the United States? First of all you have to identify somewhere in the papers, somewhere else or at regular intervals, who has the beneficial ownership in the shares of the newspaper. I think all of you would pretty well tell who your editors and publishers are now.

Then go on down and in every case where a story contains any element of interpretation or opinion, as compared to just the bare bones news stories, we used to know that this would be a signed article so that people can then evaluate whose opinion they are reading.

Mr. Williams: You mean sign every editorial?

Senator Prowse: You have an editorial. Where you have the ownership of papers, the editorials I don't think constitute that much of a problem. What I have more in mind is the article, and many are not signed articles, but they tend to be interpretive. This is the tendency today, to tell people what the news means.

Now, we used to have problems when all we were doing was selecting news or facts to be fair. Now, at the moment we start to get beyond where we are selecting facts to the point where we also are selecting opinions, it gets pretty damned difficult to be fair. Maybe we cannot be fair.

What I have in mind is if you can say this is so and so's opinion, for example, a column signed, you know who you are reading and make allowances. You know what business because it shows through. However, an ordinary story in the newspaper coming through, there is no way of knowing what the particular bias of the fellow was, who wrote the story, whereas if you knew what business he was in, you could say, "Oh, well, they got carried away here. I will buy this much. I will not take this."

Is there anything useful that can be done along that line?

Mr. Williams: If a story as obviously biased comes to us, the Copy Editor's job is to handle it so there is not so much bias. I am sure it is an important part of the job of the Copy Editor to remove the bias.

Many newspapers encourage their reporters, when they are covering something in which they themselves may be interested, to give us two stories. Let us have the hard facts of the report; then do us a piece for the editorial page—a by-line column.

Senator Prowse: That is how you try to cover that today.

Mr. Williams: We get rid of bias news stories. Otherwise we make sure the reader knows it is biased.

The Chairman: Mr. Fellman.

Mr. Fellman: I think a lot of papers are adopting the habit of using little boxes in opinionated stories with the word "analysis" written in it as a sort of tip-off to the reader that this is not just a routine news story, that it is an interpretive story and you can expect some opinion on it. I personally think it is a good way of treating the story.

The Chairman: Senator McElman.

Senator McElman: Mr. Williams, in your last comment, you say in such an event you would get rid of bias. What would your feeling be of only partisan reporters? For instance, do you feel it would be appropriate for only partisan persons to sit in the press gallery of the Parliament of Canada or in the Provincial Legislature?

Mr. Williams: I would assume that would be a problem for a publisher, his employer.

Senator McElman: That is what I asked. Do you think it would be appropriate? We had the other side of the coin here with the Guild suggesting that they should be able to move into partisan activities individually.

Mr. Williams: Personally, I would very much hate to see that a newspaper that I work for had this.

Senator Prowse: You would pretty nearly have to have a partisan for every party; would you not?

The Chairman: Senator McElman, do you want to ask more on that point?

Are there other questions, Senators?

I think we might soon adjourn. Are there others who might like to ask questions of the people here? Perhaps this will be the last time I will ask you.

Mr. Fortier?

Senator MacDonald?

Senator Macdonald: As the Guild mentioned this afternoon when they were trying to organize a certain newspaper, they met with a considerable degree of resistance, to put it mildly.

Would the Managing Editor be the one to say whether they recognize the union or would that be the publisher?

Mr. Williams: I assume it would be the publisher.

Senator Prowse: On the recommendation from the Managing Editor?

Mr. Williams: You might hear from him or solicit his views.

The Chairman: Mr. Fortier.

Mr. Fortier: Yes, Mr. Chairman.

At these annual conferences, Mr. Williams, have there ever been discussions on control exercised by individual publishers on the news contents of newspapers?

Mr. Williams: I cannot recall one, sir. We discussed what we considered to be the right amount of space and how to apportion it, but I cannot recall a special discussion.

Mr. Fortier: No complaints ever have reached your ears along those lines?

Senator Prowse: Recently.

The Chairman: Would you like to go further on that, Mr. Fortier?

Mr. Fortier: No.

The Chairman: I would like to ask one other question, Mr. Williams. You stated orally, and please correct me if I am wrong, that the Managing Editors' Conference is particularly futuristic in its thinking and that you are interested in keeping the Managing Editors across the country current in what is happening in the industry.

Mr. Williams: This is one of our projects.

The Chairman: In your brief it says "anticipated changes in technology." Could you comment on the changes that you have anticipated?

Mr. Williams: Some of us have seen developments with cathode ray tubes which will provide editing facilities, improved methods of type-setting, changes in the actual press equipment and in the mechanical processes.

I think the newspaper production starts in the news room. There is a great deal of work done in the other departments, but the production on shift starts in the news room. I think Managing Editors are all very interested.

At our next meeting in Winnipeg, we hope to have a display from an American firm which will demonstrate the CRT combined with a typewriter, which I think only a handful have seen. We are going to have demonstrations of facsimile equipment which one or two newspapers are using. We will see a Canadian press which is used to transmit material from one source to another. It may eliminate the need of the teletype between bureau offices and head offices.

Some of us are closer to these than some other newspapers. For this reason, we are trying to introduce these to the members at the next meeting.

The Chairman: It is going to concentrate on technology; is it?

Mr. Williams: This will be a part of it.

The Chairman: Also on page 3, paragraph 7, you make reference to "The changes in reading habits of subscribers". Are there changes in the reading habits of subscribers?

Would you care to comment on that? What are the changes?

Mr. Williams: This really related to what Mr. Owen talked about a few minutes ago, the impact of television, the type of material our reader now has. The reader has the time to read and wants to read. There is an increased sophistication of our readership. This is what we are trying to keep ahead of.

The Chairman: Do you think they are more sophisticated because of television?

Mr. Williams: Of course television does have a role. It is no longer easy to tell a person from a rural area from one from the city. This may, in part, be credited to television.

The Chairman: You are assuming that is a good thing?

Mr. Williams: Oh, yes. They say magazines also have quite a bit of influence.

The Chairman: Do you do a continuing study of reader habits as a conference?

Mr. Williams: No, sir. But those individuals who have access through their own organization will within certain limits make it available to others.

The Chairman: So the readership study has been done by the Managing Editor of, let us say the *Toronto Star*, the Managing Editor might bring it to all of you?

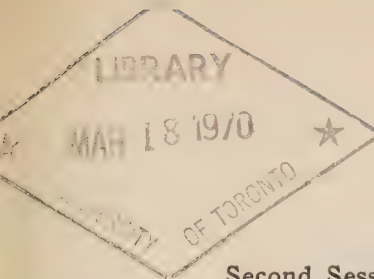
Mr. Williams: Yes.

The Chairman: Thank you very much. We are most grateful to the six of you for coming. I think you have assisted us materially.

I will adjourn the meeting in just one moment. For the members of the committee and other people who are interested, tomorrow's agenda is as follows: We start at 10 a.m.; we will be receiving the Canadian Press and Broadcast News Ltd.; 2.30 p.m., the *Windsor Star*; 4.00 p.m., The St. John's *Evening Telegram*; 8.00 p.m., Mr. Claude Ryan. All of the meetings are in 356S.

Thank you.

The Committee adjourned.



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 2

WEDNESDAY, DECEMBER 10, 1969

WITNESSES:

The Canadian Press: Mr. J. R. H. Sutherland, President; Mr. William Stewart, Chief, Montreal Bureau; Mr. John Dauphinee, General Manager; Mr. Gabriel Gilbert, Member, Executive Committee; Mr. Gillis Purcell, retired General Manager; Mr. Glen Witherspoon, Treasurer; Mr. Norman Smith, 2nd Vice-President.

Broadcast News Limited: Mr. W. A. Speers, President; Mr. Charles B. Edwards, General Manager.

The Windsor Star: Mr. Mark Farrell, Publisher; Mr. Norman Hull, Editor.

The St. John's Evening Telegram: Mr. Herbert Herder, President; Mr. Stephen Herder, Vice-President and General Manager; Mr. Michael Harrington, Editor.

Le Devoir: Mr. Claude Ryan, Publisher and Editor.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, *Chairman*

The Honourable L. P. Beaubien, *Deputy Chairman*
and Messrs.

Beaubien
Bourque
Davey
Everett
Hays

Langlois	Smith
Macdonald (<i>Cape Breton</i>)	Sparrow
McElman	Welch
Petten	White
Prowse	Willis

(15 Members)
(Quorum 5)

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

“With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.”

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith;

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

WEDNESDAY, December 10, 1969.

(2)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, *Chairman*; Beaubien, Hays, Macdonald (Cape Breton), McElman, Prowse and Smith.—(7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss F. Dale Hayes, Research Assistant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witnesses representing the Canadian Press and Broadcast News Limited were heard:

Mr. J. R. H. Sutherland, President of Canadian Press

Mr. W. A. Speers, President of Broadcast News Limited

Mr. William Stewart, Chief of Montreal Bureau of Canadian Press

Mr. John Dauphinee, General Manager of Canadian Press

Mr. Gabriel Gilbert, Member, Executive Committee, Canadian Press

Mr. Charles B. Edwards, General Manager of Broadcast News

Mr. Gillis Purcell, retired General Manager of Canadian Press

Mr. Glen Witherspoon, Treasurer of Canadian Press

Mr. Norman Smith, 2nd Vice-president of Canadian Press
At 12.45 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Beaubien, Bourque, Everett, Macdonald (Cape Breton), McElman, Petten, Welch and Willis.—(9)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Miss F. Dale Hayes, Research Assistant; Mr. Yves Fortier, Counsel.

The following witnesses representing the *Windsor Star* were heard:

Mr. Mark Farrell, Publisher

Mr. Norman Hull, Editor

The following witnesses representing the *St. John's Evening Telegram* were heard:

Mr. Herbert Herder, President

Mr. Stephen Herder, Vice-president and General Manager

Mr. Michael Harrington, Editor

At 5.45 p.m. the Committee adjourned to 8.00 p.m.

At 8.00 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Beaubien, Everett, Hays, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Smith and Sparrow.—(11)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Miss F. Dale Hayes, Research Assistant; Mr. Yves Fortier, Counsel.

The following witness representing *Le Devoir* was heard:

Mr. Claude Ryan, Publisher

At 10.30 p.m. the Committee adjourned to Thursday, December 11, 1969, at 10.00 a.m.

ATTEST.

Gérard Lemire,
Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA EVIDENCE

Ottawa, Wednesday, December 10, 1969

The Special Senate Committee on Mass Media met this day at 10.00 a.m.

The Chairman: Honourable Senators, I will call this meeting to order.

This morning we have briefs from the Canadian Press and from Broadcast News. Sitting immediately on my right is Mr. J. R. I. Sutherland, who as well as being the publisher, president and managing editor of the *New Glasgow News* in Nova Scotia is also the president of the Canadian Press.

Sitting on his immediate right is the general manager of the Canadian Press, John Dauphinee.

On my immediate left is Mr. W. A. Speers who as well as being vice-president of Selkirk Holdings Limited is the president of Broadcast News.

Sitting immediately on his left is Mr. Charles Edwards, the general manager of Broadcast News Limited.

Now, there are other representatives here from Broadcast News and from Canadian Press but I will let the presidents of the respective organizations introduce those gentlemen.

We have received briefs from Canadian Press and Broadcast News more than three weeks ago as we requested and the briefs, gentlemen, have been circulated to the Senators and presumably studied by the Senators, and so for the purposes of our discussion this morning we will take those briefs as read.

I am proposing, honourable Senators, that we will deal with both of these briefs at the same time and therefore I am going to ask first of all Mr. Sutherland to take perhaps ten minutes and summarize the CP brief or talk about it, discuss it, expand it; indeed talk about anything you may wish, sir.

Following your ten minutes I will perhaps turn to Mr. Speers for a ten minute resume of his brief or anything else you may wish to say and following that we will be open to the floor for questions from the Senators—ques-

tions which may be on the content of your brief or things which you may say this morning, or anything else indeed which the Senators wish to discuss.

Mr. Sutherland, would you introduce the rest of your team?

Submission of:

THE CANADIAN PRESS

Appearances:

Mr. J. R. H. Sutherland, President
Mr. N. Smith, Second Vice-President
Mr. G. Gilbert, Member of the Executive Committee; President *Le Soleil*
Mr. J. Dauphinee, General Manager
Mr. G. Witherspoon, Treasurer
Mr. W. Stewart, Chief of Bureau
Mr. G. Purcell, former General Manager

Mr. J. R. H. Sutherland: With your permission, Mr. Chairman, I will ask Mr. Dauphinee to introduce the delegates.

Mr. J. Dauphinee: Behind me is Mr. Witherspoon, the treasurer of Canadian Press. Beside Mr. Witherspoon is Mr. Norman Smith of the *Ottawa Journal*, Second vice-president of the Canadian Press. Beside him, Mr. Gabriel Gilbert with *Quebec Le Soleil*, a member of the Canadian Press Executive Committee.

Next, Mr. Gillis Purcell, former general manager.

Perhaps I should say that I am here under the great experience of roughly two weeks because Gil Purcell retired on November 25th, 1969, after 24 years as general manager,

Beside Mr. Purcell, Mr. William Stewart, Chief of our Montreal bureau, from which we operate our service in French. Beside him, Mr. Larry Lepp, who is the chief of broadcast news in Quebec Province.

Mr. J. R. H. Sutherland: Mr. Chairman, ladies and gentlemen. If you visit the news

room of the Canadian Press, at 55 University Avenue in Toronto, you can't miss seeing a beaver pelt behind glass on the wall near the entrance.

Everyone in the head office editorial staff passes it on the way to and from his work. Inscribed on the pelt is this tribute to Canada's national news co-operative:

"In pursuing its objective of independent, factual and unbiased information its contribution to informed citizenship has been of enormous importance. At the same time it has given Canadians everywhere a glowing feeling of what it means to be a part of Canada."

That beaver pelt was presented to CP in 1957, one of the first citizenship awards made by the Canadian Citizenship Council.

The paragraph I read to you is a good summary of the job CP was formed to do, the job its staff tries earnestly to do every day.

CP isn't very good at blowing its own horn but Canadian editors and publishers, Canadian broadcasters, public and private, newspapermen and particularly news agency men around the world know what CP means. It means a really top-notch news service; one that this country or any other country can be proud of.

The CP brief which has been in your hands wasn't intended to sell anything. It was just supposed to be a business-like and factual document trying to give you some idea of how CP works, what it tries to do, and some of its problems.

One of our past presidents wrote that he was disappointed about this; that the brief didn't do enough to overcome an impression that CP is nothing more than an efficient organization without a soul.

Here is a great national institution whose service to the country should be played up, not down.

Well, I can tell you something about what CP means.

I come from a small Nova Scotia town. The New Glasgow News, the paper I represent, has a circulation under ten thousand. It is a small newspaper.

Because of CP, and only because of CP, the New Glasgow News can have the same news report as is provided for much larger papers in Sydney and Halifax and Saint John and Moncton and Quebec and Montreal, and so on across Canada.

If I do my job as a publisher, the people in my community can be as well informed as

any Canadian. That same basic news report, a blending of CP's own Canadian and world news, with the news of its associated worldwide agencies, Associated Press, Reuters and Agence France Presse, is available to newspapers and broadcasters large and small from St. John's, Newfoundland and Victoria and Prince Rupert. Yes, and even to the Yukon. The Far North's brand new first daily, the Yukon News, is now getting CP service in Whitehorse.

It happens that I am the longest service member of the Canadian Press with 33 years. In all that time no step of the organization has been more satisfying in my view than the setting up of the French language service.

A service in French started in 1951 as a pre-translated service with six editors in Montreal.

Now, there are 21 editors and reporters, 12 at Montreal, five (and a sixth has just been authorized by the Canadian Press) in Quebec, three at Ottawa, one at Toronto, a staff correspondent in Paris as a member of our French language staff to write the French.

The service is no longer just a translation service. Its aim is to cover in French all major events that occur anywhere in Canada.

Its reporters are assigned abroad on occasions when there are happenings of particular Canadian concern. More than half of all its news service in French is original French-copy news from its own reporters for French language newspapers and broadcasting stations and from the world service of Agence France Presse.

Improvement in the French service, as in the English language service, is gradual but steady.

For instance, in the last few weeks the amount of news delivered from the night French wire has been increased by seven or eight columns, so that now the French language papers get as much news in French on their wire as English language papers get in English.

The charge by the news service is the same whether it is delivered in French or English. This of course depends on the circulation of the papers involved.

Another great development has been the establishment of a comprehensive news service specifically prepared for broadcasters. I shall leave it to my colleague and good friend, Bill Speers of Vancouver, the president of our associated company, Broadcast News Limited, to deal with that.

I should like to draw your attention to a few paragraphs of our CP brief that describe our news operation.

Starting on page 8, paragraph 37:

"The national news agency in a confederation has a hard task. CP has tried to cover the local news of small communities, the news of the metropolitan cities, the news of the provinces, "the news of the developing north and Yukon, the news of Ottawa and Parliament."

Paragraph 38:

"CP is non-political, non-regional, non-racial, non-factional in its approach to news. Its members papers represent every phase of Canadian character and opinion."

Paragraph 39:

"The only way a news organization of this scope could possibly serve all its masters is to serve objectively, accurately, carefully. CP avoids sensational journalism. Its goal is integrity and reliability."

Paragraph 40:

"Nowhere is the attainment of that goal more difficult than in reporting political news from the legislatures and Parliament. Many of the larger papers have their own correspondents writing their reports and impressions and opinions on some of the debates and the bills that come forward. It is CP's task not to select "only the big news, or just the sensational or controversial, but to cover all the news that should be covered."

Paragraph 41:

"CP must report on the state of agriculture and the development of housing and the price of fish and the advances of science, art and health. We must report on welfare schemes and tax revenues, on the revolution in transport and our labour laws and so on. If it is news of importance to any sizeable group of Canadians, CP must try to get it out to the papers and broadcasting stations across Canada. That is why CP has its own reporters and editors in Ottawa and the provincial legislatures with the exception of Charlottetown, so that all the papers and broadcasters get all of the news at a reasonable cost."

The paragraph goes on but I would merely like to mention here that CP of course must cover sport and must gather news of particular interest to women.

The brief goes on to explain how CP's Canadian news is the news of Canada which goes to foreign lands through news agencies that work with CP AP, Reuters and AFP.

It mentions just briefly the constant discussions that are being held on service improvements. Meetings of publishers and the owners of broadcasting stations and also meetings of the men and women on the news desks of the country, the people who deal with the CP news report on a day to day, minute to minute basis. In 11 years the total budget has more than doubled, from just under three million to more than six million.

The editorial staff is one-third larger and now stands at 180. Two additions, one at Ottawa and one at Quebec, have been authorized for 1970.

I mentioned a budget of \$6 million. That doesn't include the large expenditures made by all the newspapers in gathering the news which goes into the pool, or the contributions coming from most of the broadcasting stations through their news department.

Just two more paragraphs from our brief:

Paragraph 48:

"The CP by-law states that membership in the co-operative "shall be open to the widest extent compatible with the expectation that the newspaper to be represented can be established and maintained as a self-sustaining business enterprise. No applicant for membership has been turned down in the last 35 years."

Section 49—under the heading of Freedom and Responsibility:

"It is submitted, in conclusion, that by the very nature of its organization and by the character of the traditions that have formed and maintain it, the Canadian Press believes in the freedom and the responsibility of the press and tries to serve those beliefs 24 hours a day throughout the year."

The Chairman: Thank you very much. I think perhaps before we have questions we might have your statement please, Mr. Speers.

Mr. Speers: Thank you Mr. Chairman. Honourable Senators:

May I begin by making a correction in paragraph 6 of the Broadcast News brief. At the time the brief was written, Mr. Gillis Purcell was the general manager of Canadian Press and chief executive officer of Broadcast News and as you have learned, since that time he has retired and Mr. John Dauphinee now holds that position.

The wire service started by Broadcast News Limited is the basic international and national news service to almost every privately owned broadcasting service in Canada.

We have achieved this position by providing what we feel is an outstanding service. As noted in paragraph 15 of our submission we report objectively all aspects of the news, interpreting the facts but not expressing its own opinions.

Also, BN participates actively in the training and development of editors and reporters in the private stations across the country.

As a result we feel our news audiences of our subscribing radio and television stations are as well and as accurately informed of events at home and abroad as the people of any country in the world.

Although Broadcast News was not established until 1953, the private stations had access to Canadian Press News long before that.

CP established a special wire for Canadian radio in 1941 through a CP company, Press News Limited. Press News provided a good service for broadcasting but it operated strictly under the direction of the Canadian Press.

We people in private broadcasting felt that we should have the same development in our news services. From time to time we investigated the possibility of setting up our own news service but the question of developing the best possible news service for the private stations came to a head with the advent of television.

We broadcasters recognized that television would become a vital medium for dissemination of news and we recognized also that television would take over from radio much of the audience seeking merely entertainment.

For many radio stations, the future appeared to lie in developing information broadcasting. News broadcasting would be vital for the continued existence of many radio stations.

The Canadian Press proposed to the private stations that they join with CP in the operation of a company whose sole purpose would

be to provide news service for privately owned Canadian radio and television.

Radio and television competed strongly with newspapers for advertising revenue and some broadcasters had serious doubts about the sincerity of the CP newspapermen inviting us to join them in developing a good news service.

Nevertheless, we agreed to give it a try and the result was the organization of Broadcast News.

Now, we have no doubt that Canadian Press was sincere. From the outset broadcasters and newspapermen have worked together harmoniously on the BN board of directors. Their joint effort has developed what we feel is an outstanding service.

We recognize that we cannot stand still but must continue to improve and expand service as communication makes the world smaller whetting the news appetite of the Canadian people.

As noted in paragraph 3 of our submission we feel that a joint effort of broadcasters and newspapers in operation of a strong national news service would serve the country better than independent operation by each group.

We are pretty proud of what we have accomplished. The broadcasters are glad that we can contribute to the news pool with first-hand tips and sometimes the essential details of many of the important news stories breaking in Canada.

In Broadcast News we are proud that our predecessor, Press News, established the first news service in French to operate on this continent. Press News started its French service in 1945 with only four French language radio stations taking their service. Today, they broadcast news service in French operating from Montreal, serving a total of 60 stations, 45 AM radio stations, 5 FM stations, and 10 television stations.

We are also proud that we have been leaders in other areas of news. BN pioneered on this continent the first service of Voice reports of news operated outside the network. Our Voice service continues to be strong despite the entry of four other audio news services in private broadcasting in Canada.

Our submission was prepared as a factual outline of how Broadcast News operates. We shall be happy to provide any further information that any of you may require.

The Chairman: Thank you very much.

Honourable Senators, I think we can address our questions to Mr. Sutherland or to Mr. Speers and I assume to your general managers, Mr. Dauphinee from Canadian Press and to Mr. Edwards of Broadcast News and indeed to the rest of your team.

It would be helpful then if the Senators did indicate to which person the question is asked.

Mr. Sutherland: May I ask that the questions in French not be directed to the president. We have people here who could answer them.

The Chairman: Fine.

Senator Prowse: How is Canadian Press financed?

Mr. Sutherland: By assessment from the member newspapers. We sell news to the broadcasting units.

Senator Prowse: How do you charge for this?

Mr. Sutherland: The charges to the newspapers are based on circulation. Basically, the total cost is broken up in units and put out. We are a co-operative.

Senator Prowse: You are a non-profit co-operative?

Mr. Sutherland: Oh, yes.

Senator Prowse: As far as you are able to work that?

Mr. Sutherland: Yes.

Senator Prowse: Well, what I had in mind is usually you have to end up the year with either a little on the plus or a little on the minus side, and you can make your own financial adjustments.

Mr. Sutherland: Yes.

Senator Prowse: Do you have a contract with Broadcast News as such?

Mr. Sutherland: Yes.

Senator Prowse: And they have entered into contracts with individual subscribers?

Mr. Sutherland: The purpose of the separate corporation, sir, is to give the broadcasting people an opportunity to be represented. The Canadian Press is basically newspapers and we as a co-operative—we are all members. It would be unfair to the broadcasting

industry and the local newspaper industry to control this source of news so we have a separate corporation.

But that question really should be directed to Mr. Speers, who is a broadcaster.

Senator Prowse: What is the basic source of your news? Where does this come from?

Mr. Sutherland: Well, the basic source of the news is the pooling by the individual newspapers, and in recent years the news that is put into the pool from the broadcasters, and I think it is well over half.

The broadcasters have a more competitive situation and I suppose I can say that we have been building up a co-operative spirit. We pool the news and if it is not put in, you don't get it out.

Senator Prowse: I think in the newspapers the practice is that a fellow writes a story and he makes a duplicate and the duplicate goes to the CP people. Is this correct?

Mr. Sutherland: In the larger sense. That isn't always possible in the smaller papers such as my own. In a paper of my size, it is my responsibility.

Senator Prowse: You can't afford it?

Mr. Sutherland: Well, we are 100 miles from the nearest bureau.

Senator Prowse: How do you get your news to them then?

Mr. Sutherland: By wire or by telephone. When I say by wire, I mean what we can't punch out ourselves.

Senator Prowse: Well, where there is a bureau the dupes go across.

Mr. Sutherland: Yes.

Senator Prowse: And where there isn't a bureau then you report through to them anything you think might be of interest to them?

Mr. Sutherland: That is the basis of it and we are increasing our capacity to go out and get our own. You take a place like Ottawa where there is so much going on—to avoid concentrating on the sensational and controversial and bigger news of the day, leaving the other interest uncovered, we have a larger force here and we go and cover it.

Senator Prowse: How many reporters do you have in your Canadian Press staff across Canada?

Mr. Sutherland: I have the figure here, sir, 180, which includes two to be found and appointed this year. This is in French and in English.

Mr. Dauphinee: The figure of 180 is the figure of the Canadian Press editorial staff as a whole. We have relatively few reporters because we can draw on the news resources of all our member newspapers, 103 of them across the country, and we have access to the production of all their reports.

In a city like Edmonton there may be a day when we have no reporter on the streets whatever, but on the other hand, we have perhaps 100 Edmonton Journal reporters whose copy is coming into our office for us to select and to distribute. We are in effect a sort of clearing house.

We take all the news that is gathered by the Canadian daily newspapers, and as Mr. Speers said, by many broadcasters, and we process that news for distribution outside the place where it takes place.

Senator Prowse: Well, your own reporters—where do you use them? If you have access to all the other things and they are doing a job, what do you need reporters for?

Mr. Dauphinee: Well, Ottawa is a case in point. We do a basic job of covering Parliament and government. In other places we may need a story faster than a newspaper does because of deadline problems.

For example, an event that happened at 4 o'clock in the afternoon is too late for the Edmonton Journal so we need it for Broadcast News and we need it for the Vancouver Province for their first edition and the first edition perhaps in Montreal.

Senator Prowse: Do your reports carry your own reports of an event plus the local report, or do you just carry a composite report that is set up by your editors?

Mr. Dauphinee: If we have our own reporters on the job, primarily we use our own copy. We use the output of our own men and against that copy we check all the other material that is available to us from other reporters.

A job that one of our fellows on this hearing does, may in fact incorporate something that was reported by an Ottawa Journal man. Of course, this would take place when our fellow for some reason or other didn't report.

Senator Prowse: Well, with Canadian Press then we get a complete coverage of what the local papers are covering across Canada plus any additions to that for various reasons your own people go out and get?

Mr. Dauphinee: Well, according to the judgment of our editors. According to the judgment of our editors along the line who for one reason or another may send less of a given story to Vancouver than, say, is delivered in Halifax.

Senator Prowse: Because of what?

Mr. Dauphinee: Well, local interest.

Mr. Sutherland: I may interject something here along the line of your thinking. We are also developing through Canadian Press stories of a national nature and I think you may develop that.

Mr. Dauphinee: Well, take for instance, the price of fish.

Senator Prowse: Personally, I would be more interested in the sale of wheat.

Mr. Sutherland: We do develop on a national basis stories which aren't local and might not be possible either by assigning one man or two men or by gathering data from each of the bureaus and putting them together.

Senator Prowse: And this would be a headquarters decision—where is your headquarters?

Mr. Sutherland: The head office is in Toronto.

Senator Prowse: If we were after a national story, and you felt you get an inkling from, let's say your fish story, then you would take your Toronto bureau and you would put a man on picking up the story at that end.

Mr. Dauphinee: The idea for that story may come from St. John's, Newfoundland and so St. John's normally would ask our Halifax office, "How about a story on fish prices across Canada?" and assuming that this seems to be an interesting story because of news interest at the time, we would then say to all our offices across the country "Report on the price of fish."

We would specify what type of fish we are talking about so that we would get uniform figures on the same product coast-to-coast.

At some other city—perhaps it would be Halifax, because that would be a point of main interest—all that material would be put together and we would deliver it to papers across the country—a story which gives the national picture on what started out to be a local situation.

Senator Prowse: Now, generally the broadcasters are interested in a pretty well capsule form of news, is that true?

Mr. Speers: Well, it's true, I think, that we write stories more briefly in Broadcast News. Many of the broadcasting stations also get Canadian Press wires for amplification. This may be necessary on any story and particularly in local interest.

Senator Prowse: In other words, you would get comment from various places and perhaps the same thing would come into Canadian Press?

Mr. Speers: Well, we have access to the full Canadian Press wires.

Senator Prowse: Do you get the Canadian Press wire as well as Broadcast News wire?

Mr. Sutherland: At the cost of delivery, yes. This is for checking purposes.

The Chairman: Do most stations get both services?

Mr. Edwards: There are 42 stations I believe that have a Canadian Press wire or more. Some of them have three Canadian Press wires. Our contract provides for Broadcast News wires which all subscribers take, and the Canadian Press wire is available to them if they so desire. This is done at the cost of delivery.

Senator Prowse: Now, the Canadian Press wire is available to anybody who wants to subscribe, or do we have to make an application?

Mr. Sutherland: You have to make an application.

Senator Prowse: So, if I want to start a paper in Edmonton I have to make an application to you is that correct?

Mr. Sutherland: That is correct.

Senator Prowse: What things would you look at in determining whether I could get it or not?

Mr. Sutherland: Well, we would want to be sure you are seriously going into the paper business.

Senator Prowse: All right, let's assume that I am seriously going to the newspaper business. Now, what do I have to do to get it?

Mr. Sutherland: You make an application and we are primarily interested in the fact that you are not going to be a "fly-by-nighter."

Senator Prowse: Why?

Mr. Sutherland: Because we are not interested in assisting something that would disturb the rest of the newspapers.

If you are seriously considering going into the newspaper business and you start out as they did in Whitehorse, you can get one.

Senator Prowse: Let's suppose that I start in Edmonton a give-away sheet which I put into every home in Edmonton. This would give me a circulation of roughly 100,000 in the city.

I am not too concerned about getting outside because I have problems in distribution so perhaps you could tell us a little about that too.

Supposing I decide that I would like to break my ads up, with news, and I make an application to you now for Canadian Press service.

Mr. Sutherland: Excuse me sir, I don't quite follow you. You said you would like to break your ads up?

Senator Prowse: Well, I am sorry I didn't express myself. I think what we should do is have a little space between the ads in order that the little advertiser isn't going to get lost amongst the big ads, and we want to run news items in between.

Mr. Sutherland: I would not be very sympathetic to you sir. However, I think perhaps Mr. Dauphinee could handle this one.

We have a regular procedure which is being amended. It is being changed and we are rather proud of the last paragraph made here that no application for membership has been turned down in the last 35 years. I think that in general is your answer.

Mr. John Dauphinee: The by-laws of the Canadian Press—part 3, section 1—under New Membership. It says:

"Membership in the corporation should be open to the widest extent compatible with the expectation that the newspaper to be represented can be established and maintained as a self-sustaining business enterprise."

That is the only restriction on membership.

Senator Prowse: In other words, if I happen to have a million dollars and I want to go ahead and exercise my God-given right to lose my money, you are not going to let me do it?

Mr. Sutherland: No sir.

Senator Prowse: You will let me do it?

Mr. Sutherland: Well, we are not going to take that attitude.

Mr. Dauphinee: We have had cases like that sir, in the last few years. One was in Montreal—Nouveau Journal—which had CP service and similarly the Vancouver Times which had CP service when it started, and they ran into trouble.

Senator Prowse: Now, where a newspaper wants to start up, and when you set the price for a paper that is just starting, what would be the fees for a paper just starting?

Mr. Sutherland: It would depend on the size, sir. It would depend on the size and the range of circulation. The one that you cite would be a little awkward for us. We have never had one.

We have a thing called the ABC, which is the Audit Bureau of Circulations, and they measure the number of papers that are sold.

Senator Prowse: Well, I am starting, so we don't know.

Mr. Dauphinee: We base it on estimated circulation.

Senator Prowse: The reason I asked you this question is that I have been informed that if a paper is starting up, normally the fees will be about 25 per cent above what it would be for a paper that had been in operation for let's say ten years.

Mr. Sutherland: Well sir, this is a co-operative which is more than 50 years old. The various members which are that old, and the newer members, have been pumping money in and feel that somebody new coming in should make a contribution to that capital

which has been accumulated over the years. Our present set-up is spread out so as to be as painless as possible.

Mr. Dauphinee: The fee structure is covered in article 3, section 5, under the heading of Continuity Discount. It says:

"In recognition of continuity of membership a new member's assessment shall be reduced by five per cent after one year, by ten per cent after two years, by fifteen per cent after three years, by twenty per cent after four years and by twenty-five per cent after five years."

So a paper that has been in business for five years is, as you say, paying roughly 25 per cent less than when it started.

Senator Prowse: Well, the first thing that I would have to do as I understand it—let's just suppose that we are starting this mythical paper, the first thing I would have to do would be pay this franchise fee and let's just suppose that I have a paper to start with. There is no basic charge to start with?

Mr. Dauphinee: Well, as I mentioned in the clauses, sir, the fees are set that way. There is no fee or franchise fee as you call it at all. It is a service fee for services rendered.

Senator Prowse: So, what you do during the first year—this is the way you collect the interest he has, and the rest is by a slightly higher fee at the beginning?

Mr. Sutherland: Yes.

Mr. Dauphinee: You have the cost of administration and installation and so on. Over the course of five years this reduction is provided in terms of a long-term business relationship in the co-operative and there is a reduced charge.

Senator Prowse: What I am looking at—so that we are not playing little games with each other here—I have been told that with the new offset presses, instead of needing three or four million dollars to establish a plant, which has been the situation up to now, that you might just get by with about \$50,000? Is this right? I am not sure myself.

Mr. Sutherland: I would be very skeptical of it, sir. In the case of Edmonton, the equipment would run into many, many thousands of dollars.

Senator Prowse: I am not going to start a paper, by the way.

Mr. Sutherland: Well, take my own paper, which is much smaller. The capital cost there to do an adequate job would differ sir, and I am speaking now personally because I don't have the right to speak as president of CP.

You are not going to get along very long in this world—the newspaper world—filling in between ads. You can fool some of the people some of the time, and so on, but you soon develop an immense respect for the common sense of the common people.

If you don't put your news in there and so forth—you can give them away but they end up in the waste paper basket. You can't force people to read any more than you can force people to buy a paper.

Senator Prowse: So that any changes in technology are not going to overcome the heavy cost you are going to have to have an adequate editorial staff?

Mr. Sutherland: That is correct, sir.

Senator Prowse: And probably taking a loss for a while?

Mr. Sutherland: Not only the editorial staff but you have to have also your technical staff. You have your production people, your sales people, and you have to develop it completely through.

Senator Prowse: So, at the present time then, anybody that wanted to start a newspaper in this country would really have no difficulty if he satisfied you that he were bona fide in what he was doing in getting a Canadian Press franchise?

Mr. Sutherland: He is guaranteed that by the law of the land, sir.

Senator Prowse: I don't know what law guarantees it but I think it would be more apt to be your by-laws.

Mr. Sutherland: No sir, I am going to dispute that. There is a thing called freedom of the press which is basically the freedom to print what any man has a right to say on the street corner, and he is bound by the laws of libel and slander, and we are bound by the laws of libel, which is a little stricter. There is no license to print.

The Chairman: I think, Mr. Sutherland, the point that Senator Prowse was taking was that there is no law that compels CP to provide the service?

Mr. Sutherland: That's right. There is no law. This is our rule.

Senator Prowse: But under your rules at the present time as far as you are concerned as president of the organization, anybody who wants to start a paper in Canada will have access to Canadian Press under normal business arrangements?

Mr. Sutherland: Yes.

Senator Prowse: Is that fair enough?

Mr. Sutherland: Yes.

Mr. Dauphinee: If you have any plans like this, please let us know.

The Chairman: I think, Senator Prowse, Mr. Sutherland has just said that they were considering an amendment. Would you like to discuss that?

Mr. Sutherland: Well, Mr. Chairman, it is under consideration and I cannot speak because this is a co-operative and there is no control.

Senator Prowse: You go ahead and speak anyhow.

Mr. Sutherland: It will bring it down really; they will pay in a year's assessment and we will pay it back. So, it really becomes a banking proposition.

It is a little wider and it is getting away from this angle which you mention of the entrance fee. These are words that are banded round the countryside.

Senator Prowse: In other words, this is a business proposition. You say that I am going to have to put so much money out here in order to service you now, and if you want to lose your own money, it's your business; you say that we are not prepared to lose ours. So you are going to say "This is what it is going to cost us to put the service in and provide you with it."

Mr. Sutherland: Well, you are saying the words, sir. It could be interpreted that way, I suppose, but our basic thought is to get away from the idea of the entrance fee, but we are serious newspaper people. We are glad to welcome anybody else into the pool as serious newspaper people.

If somebody wants to come in and risk his money—as far as we are concerned we are all risking our money—that's fine. We would be

very happy to have them. We don't want fly-by-nighters coming in and out.

Senator Prowse: Well, what you want—you don't want a political party deciding they are going to go into the newspaper business?

Mr. Sutherland: Well, there have been political papers in different parts of the land but we are not interested in playing ball with the politicians.

The Chairman: Mr. Sutherland, may I just ask you a question? You said you would be happy to have them. Surely you wouldn't be happy to have another daily newspaper start in New Glasgow? Surely the three Toronto papers wouldn't be happy to have a fourth newspaper start in Toronto?

Mr. Sutherland: May we have one question at a time?

The Chairman: Well, it is the same question.

Mr. Sutherland: In New Glasgow, I would be happy, but there are 99 other members.

The Chairman: Well, would you be happy to see a fourth daily start in Toronto?

Mr. Sutherland: I think they would be crazy but if they wanted to, yes. We would be happy to take them into the fold.

Incidentally, sir, there is a fourth.

The Chairman: You are quite correct. I stand corrected, and you are right. Would you be happy to see Senator Prowse start a daily newspaper?

Senator Prowse: Well, let's not put this on a personal basis.

Mr. Sutherland: Yes, I would be happy.

The Chairman: So the point you are making then, as president of CP you would be happy to see more members?

Mr. Sutherland: Yes, sir.

The Chairman: But obviously, you are not in a position to say whether individual publishers would like to see more newspapers in their cities?

Mr. Sutherland: This is a subject I must be extremely careful of, Senator, because this is a wide country and it is pretty obvious that my French colleagues don't want me to speak for them.

I assure you that I don't want anybody from Toronto telling me how to run a paper. We retain our independence and we have for more than 50 years. We have learned to co-operate.

Senator Prowse: Well, let's move to another area, and probably I should talk to Mr. Dauphinee.

In addition to the dupes you get from the various newspapers of a feed-back from the various services—the people you provide with service who have a reciprocal arrangement with you—what other services do you have?

What I have in mind is the national and international news rather than local news.

Mr. Dauphinee: Well, naturally, we have our own staff and we have the output of the newspapers and the broadcasting stations and a few stringers but basically that's the pool. That is the pool in the Canadian picture.

Outside, we have contractual relationships with the Associated Press, which is the comparable—much larger of course—world organization in the United States, and we have Reuters which is the similar newspaper-owned agency based in London and Australia and New Zealand. For our service in French we have the whole force of Agence France-Presse.

Senator Prowse: Well, how much stuff do you get a day from all of these places? Could you estimate?

Mr. Dauphinee: Well, Senator, a quarter of a million words or more.

Senator Prowse: What do you send out?

Mr. Dauphinee: Well, it depends where you are located.

Senator Prowse: Well, let's suppose I have my paper in Edmonton.

Mr. Dauphinee: Well, you would have roughly 24 hours—you would have probably 75 columns a day of news of national import and national interest. You would have national news and national interest and western interest and you would have 50 columns more of regional news, of interest only in that area.

Senator Prowse: Well, what I am particularly interested in is what percentage roughly would it be that gets on to your wire service in Canada compared with the feed-in you get from all of the other different places?

Mr. Dauphinee: Well, I don't know. Say a third or a quarter.

Senator Prowse: At some stage in your organization there is an awful lot of selection that goes on?

Mr. Dauphinee: Yes, sure there is.

Senator Prowse: Now, what criteria do you use in making the selection as to what news you are going to send out?

Mr. Dauphinee: Well, do you want a one hour lecture?

The Chairman: May I ask Senator Prowse, are you talking about international news or all news?

Senator Prowse: The whole thing that goes out on their wire services as compared to what comes in.

Mr. Sutherland: May I answer that question?

The Chairman: Yes, certainly.

Mr. Sutherland: What the paper wants. This is determined on two levels. The publishers meet once a year. There is also a semi-annual meeting which is not quite as well attended and then there are regional meetings of the actual working press with the members of the Canadian Press staff hammering away at each other and working things out and this has been going on for years.

Senator Prowse: In every bureau?

Mr. Sutherland: Oh yes, and in every region. We do not interfere.

For instance, the French members have a regional meeting of their own and they are as free as they can be to criticize and say "Why didn't we get more of this?" or "We want more of that."

As to the rest of Canada, there is quite a knock-down, scratch affair and it is encouraged to be that.

Mr. Dauphinee: Mr. Chairman, I wonder if it might not clarify things if I talk for a few minutes on how we do handle news.

Senator Prowse: Yes, please do.

Mr. Dauphinee: We copy in New York the full Associated Press news report which comes in on probably ten printers. There is

some duplication between them but there is a printer that comes up the east coast and there is one from Washington and there is one that carries news across the country and there is a cable from London and so on.

Also in New York we copy the Reuters North American service, which is fed directly from London and comes into our cable office in New York.

Also in New York comes the copy from our Washington correspondent, from our man in the U.N., from our London bureau, from the man who might happen to be in Nigeria this week on special assignment, a stringer from Australia or New Zealand, and so on.

All this package comes to the news desk in New York where we have a staff of nine Canadian-trained editors who are used to the way we handle news and they are used to the requirements of Canadian papers and alert to Canadian news interest, and their job is to act almost as an autonomous unit to process the entire package of world news which will fit on the one wire from New York to Toronto.

Now, at Toronto this world news is delivered not only to us but to the papers in Toronto, to the papers in Hamilton, London, Windsor, and to Ottawa and Montreal. The bigger newspapers. They receive the world package exactly the same as it comes into our head office.

Besides the New York wire which goes to the six big cities we have, for simplicity, I would call a westbound wire, which runs from Ottawa to Montreal, back to Toronto, Hamilton, London, and Windsor. Beside it, and again for simplicity we will call it the eastbound wire, which runs from Windsor through to Montreal and Ottawa, we have a wire which carries all your Parliamentary news and all your news of Quebec Province.

The eastbound wire carries all the news of Ontario and the West and the Maritimes and delivers it to the big papers, so each of those papers has got three news wires; two Canadian, one world.

The rest of the country, because of the mileage and distance and cost of wires, and partly the size of the paper, is served on one news wire which packages a condensation of the content of the three central Canada wires and distributes the national package coast-to-coast which works roughly this way.

About 50 minutes of every hour a wire running 66 words a minute—that's three and

a half columns—carries the same news from St. John's, Newfoundland, to Victoria. For roughly 10 minutes we break it down into sections and we carry news of regional interest.

For instance, on fish which we were talking about earlier, a story would go to the Maritimes, and wheat for the West.

Our fellows are working on the basis of long experience and they move around the country and they know the country and they know the interest, they watch the papers, and as Harry has said, we have regional meetings and we seem to be always answering questions about what we did wrong.

Our fellows are constantly being informed by the publishers and the editors—particularly the editors—as to this is what we want for our papers, and this is what we deliver.

Senator Prowse: Now, when you say "This is what we want" you have in effect 100 publishers and you have 100 bosses in a way?

Mr. Dauphinee: 103.

Mr. Sutherland: And those 300 broadcasters.

Senator Prowse: So that you then have to decide what they want. When you say what they want you are not referring to a particular story, or are you?

Mr. Dauphinee: It may be a particular story. It may be a particular story in the Vancouver Province.

Senator Prowse: You receive a special request?

Mr. Dauphinee: Yes.

Senator Prowse: Day to day operations?

Mr. Dauphinee: I don't mean what any individual paper insists on having at 10 o'clock in the morning, but I am referring to the overall package.

We are concerned with all of the western papers and their interests. We make sure that those interests are met to the best of our ability.

Similarly, for the Maritimes. Overall, we are delivering the same package of news to St. John's, Newfoundland as we do to Victoria.

If there is a story involving Canada in Nigeria, we don't say "Oh, that is of no importance in Newfoundland." We actually operate

our trans-Canada wire on the basis of 50 minutes of national news and then ten on a regional basis.

Senator Prowse: Now in the selection of this news. There has to be a lot of selection here?

Mr. Dauphinee: Yes.

Senator Prowse: Do you just depend on the experience of your individual editors then to make this selection?

Mr. Sutherland: It isn't that easy, sir.

Senator Prowse: Well, what I have in mind is do you have any style books?

Mr. Sutherland: Oh yes.

Senator Prowse: Do you have any guide you can give them?

Mr. Sutherland: Incidentally, this style book which has been developed—this is the sixth or seventh printing and it runs more than 100 pages and it has been adopted in fact as the style book for almost all Canadian dailies.

Mr. Dauphinee: We have another one, a little alphabetical deskman's guide on capitalization and so on, which has also been adopted by most Canadian dailies.

We have a similar style book which is developed for French service which sets out our principles and the method of writing the news and how to handle the certain types of copy and so on.

This style book was highly commended in Le Monde in Paris as an excellent guide to the handling of French.

Senator Smith: Excuse me, I wonder if I might ask the Chairman a question. Do we have these publications on file? I would think it would be an asset to have them tabled.

The Chairman: We don't have those, Mr. Dauphinee, and we would be pleased if you could supply us with a copy.

Mr. Dauphinee: I would be happy to supply one for each and every Senator.

The Chairman: Fine.

Mr. Sutherland: I think it might be of interest that the French language office of the Quebec government had a look at this style book and ordered a number of copies.

We are very proud to say that our French staff produced this. We in the English section

are extremely proud that this is the calibre of the French staff that we have working for us.

Mr. Dauphinee: You were asking a moment ago what our criteria was for selecting a news story. I think perhaps you are thinking that we serve all papers and we have nothing to compare with except our own guidance system. This is not really correct.

We have many ways that our selection is checked day to day by other people. For instance, the New York Times service comes into Canada, the Washington Post and the Los Angeles Times and the CBC and CTV—all these are a double check on our selection.

Senator Prowse: What I am really getting at is this. In the process of selecting even facts, the personality of the person making the selection is bound to filter through in the finished product. Would you agree that that is the case?

Mr. Sutherland: That is correct but I hope it doesn't filter through very much.

Senator Prowse: You hope that it is not discernible.

Mr. Dauphinee: Actually, we don't care whether it's discernible or not. The point is that I think an individual can have a feeling on a given subject but through long experience and training and working for CP and working for all papers with all political views, he can and has learned to put behind his own personal feelings and deliver the story the way it should be for the information of the public.

Senator Prowse: Well, how many of your stories carry any interpretative writing? In other words, perhaps by interpreting I mean explanatory. There has to be a value judgment for an individual to say, or go into a story and say this is what this really means.

Mr. Sutherland: I would like to come in and say this. The very word "interpretative" is a bit on the galling side, it rubs us the wrong way amongst us older men.

We grew up with this idea that we must be objective because of the nature of Canada. As things developed the broadcasters began to be able to deliver news almost instantly where we were coming out in the case of a smaller paper once a day and with the larger papers several times a day.

We began to range a little bit and we are sort of watching this word "interpretative"

and we are trying to develop something. We think it can be dangerous. It's not the strict straight reporting of what is happening, what is the news.

Senator Prowse: How much of your Canadian Press stories contain anything but the news?

Mr. Sutherland: It's the straight story.

Senator Prowse: In other words you provide...

Mr. Dauphinee: I have to say this. In every news story there is some interpretation. Even if you are covering an auto accident in which two people are killed, it is interpretation, because you select what goes in and what stays out.

I think what we are talking about though is when a reporter puts in explanatory material which is not something that was said or done by the principals in that particular story.

There is a distinct difference between interpretation and editorializing and it's a narrow line. I think we do a very careful and solid job of making sure that our reporters do not editorialize.

Oh, sure, every now and again it happens and we write a letter to the bureau chief and say "Make sure it doesn't happen again." But overall our copy is backgrounded to explain why things happen or to relate today's events to what happened last week.

I don't think that that is really—it's called interpretation—it's not. It's just sensible reporting to make a story better understood.

Senator Prowse: In other words to give a person a better understanding of what he is reading?

Mr. Dauphinee: Yes.

Senator Prowse: And you keep this to a minimum?

Mr. Dauphinee: For instance, you could say this is interpretation. If you make a speech this week in Edmonton and you make a speech in Winnipeg and say something different, to refer back to what you said in Edmonton might seem like interpreting, but for me it's just honest reporting.

Senator Macdonald: Well, you said if he made a speech one day and said something else some time later, you say it is your duty in reporting his last speech, to say that this man didn't say this a year ago?

Mr. Dauphinee: Well, I didn't say a year ago. If it was matter of moving from Calgary to Edmonton and making a different speech to a different audience, I think it would be fair reporting to specify if there has been a change of opinion over that in Edmonton.

Senator Prowse: "It looks like Prowse has changed his mind in 24 hours"?

Senator Macdonald: That doesn't seem to me to be objectivity, if I could use the word. You are not reporting his last speech.

Mr. Sutherland: We are not expressing an opinion on this now. This is a case of actually still reporting but we are not going to argue the point. We are simply drawing attention.

Senator Prowse: It is an objective statement, the fact that this man says one thing in one place and says something somewhere else?

Mr. Sutherland: Yes.

Senator Macdonald: But that is not reporting. You are going beyond your reporting stage there.

Mr. Sutherland: Well, we are going beyond—I would agree with you with our original concept, 10, 15, 20 or 25 years ago, where we just simply put the speech in and let the readers themselves recall back.

Senator Macdonald: Is that the way you work with all political figures? Is that the way you work with, say, any member of the government or say the Prime Minister makes a speech today somewhat different from what he may have said in his election campaign? Would you point out that there is a difference?

The Chairman: Now Senator Macdonald, that you know is a hypothetical question.

Mr. Sutherland: It's not possible sir, to cover all the various phases of the story as it goes along.

Take Prime Minister Trudeau, who is moving around the countryside making many speeches. We just can't review everything the man has said in the past year, but if it's pertinent, it will be used.

Senator Macdonald: Now, who says it's pertinent?

Mr. Sutherland: It has to be done at the editorial staff level.

Senator Prowse: In other words, Canadian Press runs its own truth squad these days?

Mr. Sutherland: No, sir, no. This is not intended to be sensational journalism. It's intended to be informative.

Senator Prowse: In other words, you are going to try to put everything in balance so people can form a complete objective opinion insofar as you are able to do it? Is this fair enough?

Mr. Sutherland: Yes.

Senator Macdonald: How far back would you go to say that Senator Prowse said something different on this same subject?

Mr. Sutherland: Well, that is a hard one to answer sir, because it is a hypothetical question and I think we would leave that up to the editorial staff.

The Chairman: Mr. Dauphinee, would you answer that question?

Mr. Dauphinee: I think it might be interesting if we went back over the election campaign right now and wrote a story on what has been promised and what has been accomplished.

Senator Macdonald: Yes, but that is not the point.

The Chairman: That was not the question.

Mr. Dauphinee: It's not the question but it is the same thing.

Senator Macdonald: No, you are writing a story in this case, you are saying that I said something this time and I might have said something differently here five years ago.

In this case you are saying that if Senator Prowse makes a speech this week and he says something different from what he said last week...

Senator Prowse: I never do that, Senator Macdonald.

The Chairman: Well, Mr. Dauphinee said he would withdraw the remark and that will satisfy you Senator Macdonald...

Senator Macdonald: I think it is very interesting, you know. You can't say that Canadian Press is only objective. You are reporting the news and then if you come around and say well, apart from that we are doing a little

more than that. We are pointing out inconsistencies in a person's statement.

If you are doing that, I want to know how far back you can go to do it. This is where the bias of your editors could come into effect.

If you had an editor who is very partisan, say to some political party, then he could keep a file for years and come back and say "Here, this is what this man said in '52."

Mr. Dauphinee: I don't think that would be a practical problem. This is the sort of thing that we guard against all the time. We have a general news editor whose duty it is to watch the news reports and to watch for places where he feels we are out of balance and newspapers all along the line are watching for places where they think we are out of balance.

If you had a friend who is a publisher and we wrote a story, as you say he would write immediately and say that we were unfair to Senator Macdonald.

The Chairman: May I just say that we will turn away from Senator Prowse for the moment and perhaps come back later on.

Senator McElman?

Senator McElman: I would just like to say that perhaps Senators Macdonald would tell us how many years ago he made the statement he is worried about...

The Chairman: I am wondering along the same lines, if we might put the same question to Mr. Speers. Supposing, particularly with your voice reports, what if you voice-report a person or a politician or a businessman who is making a speech in Toronto today, and he says something and makes the same speech tomorrow in Montreal and says something different? Would you run back to back?

Mr. Speers: Well, it has been our experience sir, that we don't have to. One of his political opponents will undoubtedly do it for us. We report that.

The Chairman: And if the political opponent did this you would then take it up?

Mr. Speers: Yes.

Senator Bourque: In the submission by Broadcast News Limited, I see in paragraph 38 on page 9 it says the following:

"In line with BN's aim to make its services available to all Canadian stations at

reasonable cost, BN voice is non-exclusive."

Just what would non-exclusive mean there?

Mr. Sutherland: Well, it means that we won't sell to—we won't sell it in this community only. We won't sell it to one radio station, not to another.

Senator Bourque: Like in Montreal you might sell it to six stations?

Mr. Sutherland: Yes, sir.

Senator Prowse: Bona fide stations?

Mr. Sutherland: Done by the government sir, not us.

Senator Bourque: And it goes on to say:

"Charges are based on stations' advertising rates. At present BN Voice serves 35 English language radio stations with subscribers in every province except Prince Edward Island."

Now, in the next paragraph it says that this service has been offered in the French language provided the stations are prepared to underwrite the cost. Would the cost be very high?

Mr. Sutherland: Sir, if I may direct your attention. I am really a newspaperman.

The Chairman: Mr. Speers?

Mr. Speers: I think perhaps Mr. Edwards could answer that question.

Mr. Edwards: You are getting right down to the end of the line. It depends on how far you want to go in developing a service. One might say a million dollars a year to develop a news service in French, or you can get by with a very good service for \$150,000 a year perhaps, or maybe less. It depends on how far you want to go.

You look at it—as I explained it to the French language stations, to start a service basically I would say you need good reporting staff in Ottawa and a good reporting staff in Quebec City. These would be for the French language stations in Canada.

You would probably need two men in each place but certainly one full time man and a stringer assistant.

Senator Bourque: Well, if I understand correctly then, you have seven provinces, excluding Prince Edward Island and Quebec,

and that would make eight. The cost would be really then too prohibitive for the few French papers that could take advantage of that service?

Mr. Edwards: It's not prohibitive, but the fact is they all have—I am talking about the French language stations—they all have news wires but most of them have our teletype wire service and on top of that they get voice reports which are complementary or supplementary, which they air.

These are voice reports from news sources. Maybe actuality by yourself, sir, or some political figure or news figure, and they would like to get these things inclusive if they can.

If they were all to band together and pay for the circuit cost of feeding this news to them, say, 60 French language stations, the cost to each would not be high. So far, they haven't wanted to do that.

They have voice services—there are two services operating in the Province of Quebec, rival groups or competing groups, providing service in French, but they haven't asked us to do it, although we are quite prepared to do it.

Senator Bourque: Well, the fact that there are only 35 English language stations that have taken advantage of that service would show that practically the French population or the French radio stations would be eliminated from that because the cost would be too prohibitive? If you can only get 35 radio stations in all of Canada with the exception of Prince Edward Island, then you couldn't get very many French stations to take this up and it would make the cost prohibitive.

You are not in any way trying to hinder them from getting the service. The only reason is because the cost would be too prohibitive because there would be too few stations. Is that correct?

Mr. Edwards: That's right. They have services of their own just as in the English language area—there are four other voice services operating in competition with us.

The Chairman: Would you identify them for us?

Mr. Edwards: Their names—and I think perhaps some of them are represented here today—Standard Radio News, which is operated by Standard Broadcasting; CFRB Toronto is the basic station, and it is allied with National Broadcasting Company—and

when I say allied, they have the NBC network coming in and they gather Canadian news and they select news from the NBC network.

Another service is called News Radio which is operated by Stevenson Thomson, who I believe has the basic interest in it at Toronto—which is a firm of advertising representatives—serving a number of stations, and they have an office here in Ottawa with reporters and they gather Canadian news and they use the Columbia Broadcasting System network as their international source. Contemporary News is owned—the affiliation is with CHUM in Toronto, by Alan Waters, who also owns CFRA here in Ottawa and some other stations around the country, and he is allied for international news with United Press International. CHFI Toronto is the basic station of Rogers Radio News, which is Edward S. Rogers, who owns CHFI, and some other radio stations have Rogers Radio News service.

Senator Bourque: That doesn't answer my question.

The Chairman: Senator Bourque, I would just like to pursue this and I will be right back. Does the CHFI service have an international tie-up?

Mr. Edwards: Yes, with ABC.

The Chairman: With ABC?

Mr. Edwards: Yes.

The Chairman: Does the BN Voice have international tie-ups?

Mr. Edwards: We have Westinghouse Broadcast Co.

The Chairman: So your service puts on Canadian Voice and International so that all of these services are put on Canadian Voices, International Voices?

Mr. Edwards: Yes.

The Chairman: If Senator Bourque would just allow me to ask this question. Could you tell us, do you have any way of knowing what use is made of your service and of these other services? Presumably, you send out a number of voices. Could you explain how the voice reports actually works?

Mr. Edwards: Yes. Our service, and the others are comparable, for a collection of

news we copy the Westinghouse network, which is two full time wires coming in and feeding their stations from the United States and they are news-oriented stations, and we copy that.

By copy, we receive that network feed—not network in the sense that it is being aired, but hooking the stations together.

We receive that in Toronto where we copy the full feed and select from it the news that we feel is of interest to Canadians and Canadian stations in broadcasting. They would be the major international stories and also we cover Canada—we have two voice reporters in Ottawa all the time and at the moment we have three because of the Federal-Provincial Conference and one of our reporters is here and we call on our subscribing stations. Not only the stations that participate in voice services but practically all the stations that subscribe to our service and they request that we feed news to their area.

Usually, we ask for it, although they frequently volunteer, but we know from watching the news what is developing and we knew for instance that this Committee would be holding hearings this week and we prepare in advance for coverage of such important news events and we bring that into Toronto, sometimes by leased wire, a voice circuitry, but sometimes by telephone, and we then feed it from Toronto to stations on a lease wire that would be leased across the country from Newfoundland to Vancouver Island, and we feed this at various intervals.

If there is a major story we may feed it immediately.

The Chairman: Do you have any record of use?

Mr. Edwards: Not recently. We have surveyed, and some stations say that they use about one-third what we provide, which is about 55 cuts a day.

The Chairman: I am curious, Mr. Edwards, to know of the use of Voice cuts which are Canadian as opposed to those which are international?

Mr. Edwards: Well, I can't answer for the stations. I know at the present time more than 50 per cent of our service is Canadian. It is Canadian content originating in Canada.

I have some figures here for last month and it is running about 60 per cent Canadian at the moment.

The Chairman: But you don't know what they use?

Mr. Edwards: No.

Senator Bourque: I am satisfied with the answer. I can see there is no discrimination and that is fine for me.

Now, if we turn over to the Canadian Press brief, page 11, paragraph 46.

"The directors are elected for two-year terms by regions, three from the Atlantic provinces, one from Quebec, six from Ontario, four from the Prairie provinces, two from British Columbia and three representing French-language papers."

Now that can exclude completely having a French director. Now, if you will listen to my reasoning you will see what I mean.

You say one from Quebec. Well, now, it could be a gentleman from the Gazette or—

Mr. Speers: That sir, is one of Quebec's English newspapers.

Senator Bourque: Yes.

Mr. Dauphinee: And then, we have the three representing French-language papers.

Senator Bourque: Yes, but that doesn't say from Quebec.

Mr. Sutherland: All our French members are not from Quebec, sir.

Senator Bourque: I know, that is the point I want to make. You could elect as directors, three gentlemen, one from Manitoba, one from Ontario and one possibly from Nova Scotia, and then you would have no directors for the Province of Quebec—no French-Canadian director.

Mr. Sutherland: These are from French language papers, sir. The only one in the Maritimes is in Moncton.

Senator Bourque: But, you could elect nevertheless three French-speaking directors who are not from the Province of Quebec and eliminate the Province of Quebec insofar as the French are concerned.

The Chairman: I think, Senator Bourque, that wouldn't be possible because there are two French dailies outside of Quebec. Assuming that both of those people were elected as directors...

Senator Bourque: Well, that may be today, but suppose tomorrow a big French newspaper starts in Toronto?

Mr. Sutherland: May I reply, sir, and I am not going to be facetious, I think if that happened the rest of us would just have to take off while our Quebec members go berserk.

There is an old tradition, sir—it's not written into the Constitution—that French matters are French. This has been going on for some 50 years. .

Senator Bourque: Well, sir, I may tell you that I used to be a member of the Canadian Press and I used to operate the *Le Nouvelliste* 50 years ago.

Mr. Sutherland: Is that so, sir?

Senator Bourque: Yes.

Mr. Sutherland: Well, sir, I am very happy to learn that. You attended meetings, sir?

Senator Bourque: Yes, sir.

Mr. Sutherland: Well, sir, I think you will agree with me sir, that French matters were French. The English language people didn't interfere with the French language.

Senator Bourque: Yes, but that still doesn't answer my question. It is a particular case, as you say. One from Quebec—well, as I said it could be a member from an English paper. I don't object to that, but there is no provision made for having a really French-speaking director from Quebec because the three others could be eliminated from the Province of Quebec—it could be for instance representing *Le Droit* or it could represent some other paper that is in Manitoba or somewhere else.

The Chairman: Senator Bourque, a member of the Executive Committee of Canadian Press is here in the delegation, and it is, as a matter of fact, Gabriel Gilbert who is the president of *Le Soleil* and I am wondering if he might comment on this point.

Mr. Gabriel Gilbert, Publisher, Le Soleil: Mr. Chairman, honourable members of the Committee, gentlemen: I believe that the possibility raised by Senator Bourque may be real on paper because the Canadian Press constitution does not specifically state that there must be at least one French director from Quebec, but in practice I think the situation could not arise for two reasons.

In the first place, there are not enough French-language newspapers outside Quebec at this time to permit the election of three directors from outside Quebec. Secondly, I feel that the Canadian Press today, like

several of our other truly national associations, is not only bilingual in spirit and outlook but it is also bicultural. This being the case, I believe it would be absolutely out of the question for its combined membership to come to a decision as surprising and unacceptable as that.

Senator Bourque: If you will allow me to interrupt, Mr. Gilbert, you are saying it is not possible, but I say it is, and I can prove it for you in a few words. It says here "one from Quebec". And that one from Quebec may very well represent *The Montreal Star*, *The Gazette* or *The Quebec Chronicle-Telegraph* or some newspaper like that. But here for instance, when you say "three representing French-language papers", the members could easily choose three newspapers published outside the Province of Quebec; not being from the Province of Quebec, these would in no way represent it.

Mr. Gilbert: I believe if we stick to the letter of the Constitution, you are absolutely right; there could be a good man, say from Moncton, New Brunswick, another in Hull and a third in, say Winnipeg, since there could certainly be a French newspaper on St. Boniface.

Senator Bourque: There might be one in Toronto.

Mr. Gilbert: We may see that too, some day. But I believe that in practice, in view of the genuinely bilingual character of the Canadian Press—and I do not mean that only in the narrow sense of the French and English languages, but bicultural in the sense that we know French-Canada contributes more than just another language to the country—I believe the Canadian Press members would find it absolutely impossible to function for a year or two without a French-Canadian from Quebec on the board of directors. Judging from conditions as they are now and from the moving spirit behind the agency, I am convinced that it simply couldn't happen, although I agree with you that, given the facts, it could.

Senator Bourque: This is 1970 and I believe that anything can happen in 1970.

Mr. Fortier: Mr. Gilbert, would you permit me to say a word while you have the floor? In view of the point raised by Senator Bourque and your very candid and honest admission, do you not think it might be advisable for the

Canadian Press to amend its by-laws, to change them so that, even in theory, it would not be possible for such a situation to arise? Because I believe I understood Mr. Sutherland to say earlier, in speaking of amendments to be made in the by-laws, that this might be done soon. Perhaps the point we have been discussing could be covered in an amendment.

Mr. Gilbert: First let me thank you for using the word "candid" with regard to me. I only wish you would repeat it some day when my wife is present. As for an amendment, personally I have no objection. The Canadian Press is living organization, which means that anything can be corrected, and I feel sure that the amendment you suggest will receive consideration.

Mr. Fortier: I notice in the Canadian Press brief that six French-Canadian newspapers were members of the co-operative in 1917, and nine in 1969. Is that correct?

Mr. Gilbert: Yes.

Mr. Fortier: How many of the nine are published outside Quebec? I presume that *Le Droit* is one?

Mr. Gilbert: *Le Droit* and *L'Évangéline*.

Mr. Fortier: *L'Évangéline*. Then the other seven are in Quebec?

Mr. Gilbert: That is correct.

Mr. Fortier: That means, therefore, that during a period of 52 years only one new paper was accepted as a member of the Canadian Press?

Mr. Gilbert: I cannot give you a history of newspapers in Quebec since I have not studied this matter in depth, but I can tell you that there are definitely fewer newspapers in Quebec than in Ontario, for instance, in proportion to the population. We could talk for a long time and not discover why this should be. It may have something to do with the reading habits of our people, or with a standard of living which was somewhat lower than Ontario's for several years, or with all the economic and social factors that are peculiar to Quebec. I agree with you that the number of Quebec newspapers has not increased much over the years. A number of newspapers went into publication but eventually folded up, while a good many political papers stayed in circulation for some time before going out of business.

Mr. Fortier: There was the attempt to launch *Le Nouveau Journal*, for instance, a few years ago.

Mr. Gilbert: True.

Mr. Fortier: With all your experience in written journalism, have you any theory as to why *Le Nouveau Journal* failed to crack the market?

Mr. Gilbert: I would rather tell you when I'm here for the Canadian Press. I'll tell you the next time I come.

Mr. Fortier: I know you are to come back. I must confess that when I read that there were only seven newspapers—I believe there are about eleven daily papers in the Province of Quebec, is that correct?

Mr. Gilbert: Yes. There are some that are not members of the Canadian Press.

Mr. Fortier: What is the reason—and now I am speaking to the man wearing the Canadian Press hat—what is the main reason which keeps these newspapers from becoming members of the Canadian Press.

Mr. Gilbert: First, I should say it must be a matter of budget. These people probably say to themselves: we have been publishing a newspaper for a number of years and our circulation is on the rise; we are getting out a paper just the same. It may never enter their minds to ask whether it is better or worse than it should be. Second, it is a matter of money. They say: if we join the Canadian Press, it will cost so many extra thousands of dollars a year. After all, the Quebec newspapers which are not member of Canadian Press at this time have fairly large circulations. One example is *Montréal-Matin*, published in Montreal with a circulation of over 100,000. Obviously, it would cost money to join the Canadian Press. However, these papers cannot be accepted as members at lower rates merely because they are joining for the first time.

Mr. Fortier: Is it a question of funds with *Montréal-Matin*?

Mr. Gilbert: Personally, I am inclined to believe that the main obstacle is money.

Mr. Fortier: Are they members...

Mr. Gilbert: It is because they have less need for it since their publication is growing anyway. Take the *Péladeau* papers for exam-

ple; we would have to admit that they are making progress, yet they are not members of Canadian Press either.

Mr. Fortier: But is *Montréal-Matin* not a member of Agence France-Presse?

Mr. Gilbert: They may be receiving AFP, but at this point I rather think they are receiving UPI.

Mr. Fortier: That's it—UPI is what I was trying to remember.

Mr. Gilbert: That gives them international coverage, but not...

Mr. Fortier: What does it cost them?

Mr. Gilbert: I really couldn't say; these are special contracts with individual publishers and I have no idea what UPI would charge *Montréal-Matin*. Mind you, we at Canadian Press have been in contact with these newspapers for several years, talking things over in an attempt to bring them in. So far we have not been successful.

Mr. Fortier: There is *Montréal-Matin*, *Le Journal de Montréal*, *Le Journal de Québec*, and what would be the other newspaper that is not a member of Canadian Press?

Mr. Gilbert: I don't know. *Le Nouvelliste* and *La Tribune* are members.

Mr. Fortier: These are the only ones?

Mr. Gilbert: Those are the only ones.

Mr. Fortier: In short, Mr. Gilbert, do you receive adequate service from Canadian Press as a French-Canadian newspaper published in Quebec?

Mr. Gilbert: Definitely, but I shall answer this question more precisely on my next appearance.

Mr. Fortier: Thank you.

The Chairman: Senator Bourque.

Senator Bourque: I would like to thank Mr. Gilbert for his remarks. They have enlightened me a bit but he hasn't answered nor has anyone answered the question that I put to these gentlemen.

My question is, one from Quebec. Now, six from Ontario—there just doesn't seem to be a fair proportion if you base it on the population, but on the other hand there are—there

is a compensation—three representing French language papers throughout Canada but these are not from the Province of Quebec.

We might find some heavy criticism from the people who are trying to create trouble—I am for a united Canada, but I do believe that if we have any affair that can cause trouble or give somebody cause for criticism, that we should immediately do something to eliminate this danger.

Anybody could say now that there has been discrimination against the Province of Quebec. There is only one director from the Province of Quebec and he could be from an English newspaper.

Therefore, you could find yourself at some time without a French-Canadian director or through other circumstances as there may be newspapers coming up and everything.

Mr. Dauphinee: I am going to make a comment, and I hope Mr. Purcell will correct me if I am wrong—I may be, but it seems to me that the reason—this was before I was connected at the management level—but it seems to me that the reason that the three French language members are selected at present at large is because this was the way that all the newspapers taking their service in the French language, including one in Ontario and one in New Brunswick, would, if there were three from Quebec, never have representation as French language directors. This brought all your French papers together with a representation of three directors for nine papers, which is a very high proportion, and if the occasion ever occurred where a situation such as you suggest occurred, then it would seem logical at that time that the membership of the corporation would probably amend the by-laws to correct the situation.

There seems no need to do it now because the situation as it is provides for a high representation for the papers with interests similar to each other.

Senator Bourque: What I had in mind you see, so that there wouldn't be any criticism from separatist groups or any group that wants to cause trouble, was if you had two from Quebec; one from the French papers and one from the English papers, and then two at large for the others, you would eliminate the situation. You would assure that there would always be one French-Canadian director.

The Chairman: Well, I would like to go on to another point, but I think that Mr. Sutherland has something he would like to add.

Mr. Sutherland: I would like to say that when Mr. Fortier was talking, I had the same thought that we might get an amendment in here. There is no reason why we simply couldn't acknowledge the facts of life that there is no Canada without Quebec, sir. We thought we should guarantee the French outside of Quebec a feeling that they belong. I think we have overlooked the angle that perhaps as such it is not guaranteed anything and perhaps our lawyers will look after it.

In the matter of the Montreal papers which do not belong to us, Mr. Gilbert handled it and I would merely like to say—and perhaps speaking as best I can representing the English segment—that we would be most happy to have them in but we on the English side must be careful not to put ourselves in the position of seeming to force them in. We can do no more than welcome them. This we have done.

The problems as to why they don't come in—that's their business.

Senator Bourque: Don't think for a minute that I meant to say that you had discriminated against anyone because it has been running well, but now there are times—I think it is time that we looked into all the different situations and found out what just could create trouble.

Mr. Sutherland: In a cooperative, sir, no one can speak with authority, and I think you made a point sir, and I myself would be somewhat surprised if a little consideration isn't given to this problem somewhat shortly.

Senator McElman: Mr. Chairman, for those smaller cities of the country where there may not be a CP bureau, what is the rule or agreement on the timing for input of stories to the CP wire by member newspapers? Must they file at the same time they are doing their own stories?

Mr. Sutherland: Well, sir, they can't file while they are doing it, but right afterwards. Now, there can be slip-ups, as our own paper has slipped up, because you are thinking of getting your own paper out, but our duty and our obligation is to get the news through to Canadian Press, to the nearest bureau, as quickly as possible.

Senator McElman: I note in Charlottetown and in Prince Edward Island that you have no CP staff and no coverage of the legislature.

Mr. Sutherland: There is no bureau there, sir.

Senator McElman: Why?

Mr. Sutherland: Well, Prince Edward Island is a very small province, and we just wouldn't warrant having a bureau in Charlottetown. We have a bureau in Halifax covering the Atlantic area.

Senator McElman: You have stringers in Charlottetown?

Mr. Sutherland: I think we had better pass that one to Mr. Dauphinee, as it is on the technical side.

Mr. Dauphinee: It's not quite correct to say that we don't have reporters at the legislature in Charlottetown. We do. We do have reporters from Halifax covering news events like the budget day and so on, but to go back to your original question, the duties and obligations of members read this way.

"Article 11, section 1, District News Coverage.

Each member shall promptly furnish to the Canadian Press all available news of his district, the area of which shall be determined by the board. In centres not served by both morning and evening newspapers, this shall include the news of the full 24 hour daily period."

This means that in Ontario for instance the papers on our Ontario wire—32 or 33 in number—are all evening papers but they are all responsible for providing coverage to the Canadian Press through the night when they are not actually manned.

Roughly one-half of the news from Ontario wire points—all evening papers—is actually provided at night.

Senator McElman: Perhaps this is only a personal opinion but I seem to sense there is almost an alarming lack of news that receives national attention on CP wire. I mean emanating from the—I am a Maritimer—emanating from the Maritimes. Is there any measurement conducted by CP of the input by the member newspapers of a given area such as the Maritimes to determine whether the feed is coming through?

Mr. Dauphinee: Yes, sir. We have across the country a number of what we call news analyses which are issued monthly to newspapers in the service. They are issued for the information of the members, so that even though a newspaper has been doing a good job, it also gives us the constant running check on how the papers themselves are doing for us.

Let us say for example that the bureau chief in Halifax is responsible for the whole Atlantic region. He feels that the coverage he is getting from the New Glasgow News is not sufficient for some reason or other, or he checks the New Glasgow News and he finds a story that is published prominently in the New Glasgow News was not delivered to Halifax.

Even though Mr. Harry Sutherland is our president, he will receive a blast from our bureau chief in Halifax. This happens all the way across the country.

Senator McElman: The same measurement of course is taken then of how much of the national feed they get and how much they use?

Mr. Dauphinee: No.

Mr. Sutherland: There is no measurement on news, sir—relating to paying?

Senator McElman: On the news services.

Mr. Sutherland: This is up to the individual paper, sir.

Senator McElman: You don't keep a measurement of it?

Mr. Sutherland: No, sir.

Mr. Dauphinee: Not in column inches, sir. Part of the job of our editor on any circuit is to watch what we call the exchanges. These are exchanges that come in to us from down the line and the editor on the Ontario wire in Toronto has access to every daily newspaper in Ontario.

He skims through these papers when he has a few moments and he watches for the type of thing that is published, and we may make a spot check.

For instance, Keith Kincaid, one of our executive assistants, recently travelled coast-to-coast for a series of articles on student unrest. It happens that there isn't very much student unrest, but that is what we were trying to find out.

I hate to think of how much that series cost, but aside from that, this was six stories, because it was a major project—an enterprise project, and we wanted to know what happened, and we had a bureau chief report on the use of that series. It is still running and I don't know what the results will be but it won't be outstanding.

On a day to day run we don't check news on specific stories.

Mr. Sutherland: Sir, I think we have to be careful—it may be tremendously important to the Maritimes but it may be of no interest whatever, or relatively small interest in Quebec or Edmonton.

We as a co-operative, as an organization, don't try to force this point.

Senator McElman: I appreciate that point.

Mr. Sutherland: We make it available. If it is of no interest, that is it.

Senator McElman: Well, I was interested in whether it gets fed or not to the CP wire.

Mr. Sutherland: Oh, there is no question about that. As a matter of fact, we have developed some very major stories over the years from the Maritimes; shipwrecks, coal mine disasters, and some of our Maritime premiers seem to be able to get into the news in a controversial way and so on.

Senator McElman: Well, this is a personal view but I am inclined to think that more happens in the Maritimes than just shipwrecks.

Mr. Sutherland: I can accept your opinion, sir, but I must say that our news does get out.

Senator McElman: Does CP have any view to give with respect to the possibility of a press council for Canada?

Mr. Sutherland: Again, by the the nature of our organization, we will have divergent news, and Canadian Press is a news gathering and distributing organization.

For instance, I wouldn't dream of telling our French members that they should or should not have a press council.

Senator McElman: I am not suggesting that you tell them sir, but I was wondering do you have a view on it?

Mr. Sutherland: As an organization?

Senator McElman: Yes.

Mr. Sutherland: No, sir. By our very nature we wouldn't think of having one. I had a personal view. Speaking as president of Canadian Press, no.

Senator McElman: Would you care to comment on future technology such as facsimile printing and the effect it might have on your operations?

Mr. Sutherland: The Canadian Press operation?

Senator McElman: Yes.

Mr. Sutherland: Well, we are watching through our allies and otherwise everything of a technical nature. As equipment becomes available, we are glad to make use of it.

We are rather advanced in the use of facsimile in transferring news from one spot to another. Our French service in teletype was the first in the world.

Mr. Dauphinee: The only one, yes.

Mr. Sutherland: It was developed in Nova Scotia as you probably know a good many years ago now, marketed in England, but the inventor was a Nova Scotian. He was a Nova Scotian from Canso but perhaps I should pass the ball here to Mr. Purcell, who actually has been our contact man and former manager, and we brought him here with us in case some question would come up where Mr. Dauphinee hasn't had the experience and background yet.

Would you care to direct that question to Mr. Purcell?

Mr. Purcell: Well, sir, I think the Canadian Press is extremely advanced in technological developments. We went into teletype setting in 1952, the same week as the AP, and I may say that it was 30 years after it was done in England, but the two outfits started it at the same time.

We computerized our central circuits, our main circuits to the big cities, with coded circuits as well about a year before the A.P. did.

We went into high speed transmission for stock tables and text about four years ago, and I guess there are many papers in Canada who are using them. They are available for anybody who wants them and we are now using facsimile for transmission from bureau to points or bureau points to correspondent points, and we are in touch with other devel-

opments which may come, and our technical men are fully advised of these matters.

The Chairman: Thank you.

Senator McElman: Perhaps I should direct this to Mr. Speers. There has been expressed the view that in the Maritime districts for television and radio news, we get almost on the spot reporting of freedom marches and activities of the Ku Klux Klan in the southern States, but something that might happen in one of the more remote areas of the Maritimes of some importance, there is probably a 24 hour delay on it.

Would this be related to the feed they receive, or is it oriented more to New York than perhaps Canadian content?

Mr. Speers: No. I would think the opposite of that. I would think the opposite of that to be true but I am going to turn the question over to Mr. Edwards because it is a technical question.

I think it is a question of gathering the news but I would like to be clear on this. Were you talking about actualities—when I say actualities, I mean pictures or voice reports or a report on what happened?

Senator McElman: Both. Voice reports and pictures.

Mr. Edwards: Well, I doubt that there is a 24 hour delay but I can imagine that there would be on occasions. There could be on occasions from any part of the country if the news was not known, but once news becomes known, if we haven't got it on the wire—we just have to have it on the wire promptly and we have many sources to get it from.

In the Maritimes, we serve all of the broadcasting stations in the Maritimes and the Atlantic provinces, and most of them file news as soon as they get it, receive it and do a good job of gathering it.

For that, we have the full service of the Canadian Press and I believe that we relay very fast.

As far as voice reports are concerned, we trace for voice reports when we can get them and in fact, frequently, a voice report is the first story that breaks on a news event.

In other words, an interview perhaps with some political figure today who arrives in Fredericton—he might be interviewed by a radio reporter who would tape what he says

and then forward it to us—give us the taped report, and this becomes the first word Canadians hear about.

In fact, this is the only such interview, so we would turn it over to the Canadian Press, use it ourselves. There may be 24 hour delays. I know there have been on occasions, both through error or lack of any knowledge of the stories. I would doubt it happens very frequently.

Senator McElman: In the filing of stories from regions—take the Maritimes again. You have your Halifax bureau and you have a particularly hot or controversial story that say gets fed to your Halifax bureau in the late afternoon.

Supposing this story gets fed to your Halifax bureau in the late afternoon or early evening and it doesn't feed to Toronto until the next morning perhaps, and it may possibly rest in Toronto for say another half a day.

Is there some level of clearance that a controversial story has to go through before it can be fed?

Mr. Sutherland: This is a radio or news, sir?

Senator McElman: Take it as news generally.

Mr. Sutherland: Well sir, the thought of a story resting half a day in this day and age just isn't practical. Stories don't rest. There would be the devil to pay if they did, because this is the value of our annual meetings, where there can be the sharpest of criticism or even more so at the regional meetings.

If there was a delay like this it would be heard from.

Mr. Dauphinee: We work in seven time zones and somewhere at almost any hour of the day, every 15 minutes, there is a deadline.

If the story that you are talking about happened to be an inconsequential story it might sit around, held back by the pressure of other news for a matter of hours, that is possible. But you talked about an important story. If that story isn't on the wire from Halifax within five minutes and if it isn't relayed to the west within five minutes—a hot story—then somebody hears about it.

We work in minutes, in seconds in some cases, sir. To have a story lying around for half a day in Halifax and for all night in Toronto is inconceivable.

Senator McElman: What I am getting at is this. In the case of a very controversial story, there is no designated level for clearance? They go through as routine, is that correct?

Mr. Dauphinee: If a story has potential danger—I am thinking in terms of libel—a story of that nature, then it may be messaged to Toronto immediately, marked as we call it CPO, which means Canadian Press only, not for publication.

This would be done for a check by the main desk or we may phone Mr. Robinette to ask for a ruling whether this is a safe story, and we may look at it, but this doesn't apply to a story that is controversial, let's say, just because it is political.

Senator McElman: No, no. I wasn't thinking about that. Thank you.

The Chairman: I would just like to ask this question. Did I understand you to say, gentlemen, that there is no record kept of how the service is used by the member newspapers?

Mr. Sutherland: I don't know of any.

Mr. Dauphinee: That is correct.

The Chairman: I find that incredible. Don't you think it would be a great advantage to keep a record of what use is made of this service?

Mr. Dauphinee: Well, we have a general idea of what use is made of it all right, but we don't know what any group of papers necessarily does with any one particular story.

The Chairman: Well, do you know for example—could you tell me—pick any paper at random which is a member, let's say your own paper—perhaps that is a poor example because you are the president and you are here, but let's take for example the Regina Leader-Post. Do you know what use or how extensively does the Regina Leader-Post use the services of CP over the past 12 months? Do you know exactly?

Mr. Sutherland: No, sir.

The Chairman: I find that rather surprising. Do you not think it would be an advantage to know?

Mr. Sutherland: No, sir.

The Chairman: Why?

Mr. Sutherland: Well, what good would it do?

The Chairman: Well, I think it would be terribly useful to know. I think there would be one measurement—you may correct me if I am wrong—but wouldn't it be a useful measurement of what the member papers think of the service?

Mr. Sutherland: If I may say so, sir, I am not trying to be facetious, but a more important influence to us is what the publisher says, what the member representative says at the annual meeting, and still more important, what his regional editor says at the regional meetings.

Mr. Dauphinee: Every now and again sir, we make a check of the use of news in one paper, for specific reasons.

For instance, not long ago we did make a check with one of the larger papers to find out what proportion of the Canadian Press news report was used on a given day with relatively few editorial changes.

This was for a technical reason and that check sir, to be done with the accuracy that we wanted, took a senior employee roughly three days.

It seems to me that if I have the staff that has that sort of time available, there are places where I can use them to much better benefit, in producing more news for the Regina Leader-Post to use.

The Chairman: Well, I take your point. I don't agree with it because I think it would be terribly important to have this information at your fingertips. You could anticipate what reaction you are going to receive at the annual meeting if you knew what use was being made of the service.

Senator Macdonald: I was just going to ask Mr. Edwards one question with regard to radio notes. Not voice or anything else but just normal news.

You mentioned that you supplied all the stations in the Maritimes, and often there are times the station I listen to, their news is trivial stuff, perhaps that somebody is shooting themselves around Mississippi or something like that, and they wander all around the United States. They wander all over the United States with this kind of news. Do they select that or is that sent in to them and they have to use it?

Mr. Edwards: Well, they don't have to use anything we send them. They do select from what we send the news that they put on the air.

I would say that trivial news should not get on the wire, but sometimes, and this may be true on weekends when governments are closed, businesses are closed, and we are scraping the bottom of the barrel, and I know the stories that I have referred to...

Senator Macdonald: Perhaps I should explain. Usually, it's a five minute newscast. I don't know how much stuff you send in to them, but it's usually 8 o'clock in the morning.

It's not only on weekends; we get it pretty well every day of the week.

Mr. Edwards: Well, we send through a continuous stream of news, I estimate about 55,000 words per day, and we do provide summaries of news every hour once an hour throughout the day and night.

We recommend to stations that they don't use the summaries as they are laid down because they should select the items from the summary and use some of their own local and regional news.

In other words, there should be careful selection and editing.

Senator Macdonald: Well, what they do is that they give us a few minutes of summary of local news, then they go on to this type of broadcasting.

Take for example the 8 o'clock news in the morning. They will give a summary of local news which is supplied by the local newspapers, and then they will give this regular news.

Now, these are the private stations—not the CBC because they give their own news, but some of the material coming through is so trivial that you have to wonder just who is selecting it and why and it looks as if the fellow is just reading something that comes off the tape that is there and doesn't make any selection.

Mr. Edwards: Well, that happens at times, I think.

The Chairman: Why, if you don't think the stations should use the five minute summary, why do you send it?

Mr. Edwards: Well, it's more convenient.

The Chairman: Why don't you just send the items and they would be forced to edit them?

Mr. Edwards: Well, as I said, it would be more convenient, and I think that most stations do select their material, but I don't suggest—I don't suggest they don't.

Senator Macdonald: There are two privately owned stations there, and wherever they get the news from they get it from the same source, because it is exactly word for word the same. There is no selection, that is for sure.

Mr. Edwards: Well, I can't really comment on that. I would regret that that is the case if it is so, but we don't encourage them to do that.

Senator Macdonald: Take a look at what you send to the two Sydney stations, apart from the CBC, and see what I mean.

Mr. Edwards: We send the news also to the CBC.

Senator Smith: I may say also that my own personal experience is something similar to what Senator Macdonald has pointed out.

Although we have what I consider a pretty live wire radio station in my part of Nova Scotia, CKBW in Bridgewater, they pay some attention to local news and they do it quite well.

So often, I notice that they apparently buy a package of news and they will give the names of all the highways down the New York thruway or something, and it looks as if they are buying a package.

If I should switch to another local station somewhere that I can get in my region, I have picked up the same kind of package deal.

I might suggest that you take a look at your packages. You might take a look and see how frequently these packages, as described by Senator Macdonald—the smaller stations who can't afford to have the editorial staff to select from a big tape, but I suppose it meets their convenience and their budget to have packages.

I think it is a good subject to raise with you for your consideration.

Mr. Edwards: Well, Senator, we are very concerned about the problem.

Senator Macdonald: Do you receive it from some news service in the United States?

Mr. Edwards: We have access to the Canadian Press wire as Mr. Dauphinee has outlined. There are the three wires—all the

CP wires, and we also have the Associated Press radio wire, and...

Senator Macdonald: At many times it seems to me that this is news for some locality in the United States. It seems to me that it was just taken wholesale and sent down our way.

Senator Smith: These things may not be your packages.

Mr. Edwards: It could be but I would suggest that if the stations would be using anything from outside their own area it probably originated with us.

The Chairman: Senator McElman, perhaps before you ask your question, Mr. Sutherland has advised me that he wishes to amend a statement or add to a statement.

Mr. Sutherland: On reflection sir, I can think of one case where there might be a delay. It is rather interesting, but as Senator Bourque may recall there used to be criticism from Quebec on the delays in translation.

Now that we are writing in French as well as in English, we get criticism from the English papers on the delays in translation from French to English. This is in the nature of things and it can't be done instantly but our staff is trained to do it as quickly as we can do it accurately.

Senator Macdonald: May I ask Mr. Sutherland just one more question?

The Chairman: Certainly.

Senator Macdonald: CP news for example is gathered by your local correspondent, somebody perhaps from a bureau and he might phone in a story. Do you check on that before you send it off to CP?

Mr. Sutherland: In what respect check on it, sir?

Senator Macdonald: To see if it is accurate?

Mr. Sutherland: Our staff is trained and expected to be accurate.

Senator Macdonald: I am talking now of some local correspondent who is perhaps part-time.

Mr. Sutherland: Well, we know our man and we won't double back if he has taken—depending on the story—anywhere from half an hour to five minutes in some cases, or an

hour to develop a story, it would be a little ridiculous for us to spend another hour going through the whole thing all over again.

We have to know our man and if we have faith in that man our story goes out. It is done in the regular course of business.

Senator McElman: In your relations with your member newspapers do you find any difference in the calibre or the type of your relations as between the so-called independent group or chain ownership, multiowner-ship—cross-media ownership?

Mr. Sutherland: None, sir. The tradition is maintained that the individual member is responsible to get the news of his area out. This is also maintained at the level of criticism which is what keeps us going.

At both levels the membership at the annual meeting, where the members are present and at the level of the actual news desk, and similarly in radio.

Senator McElman: You speak of criticism. That includes both their feedback to you and yours to them?

Mr. Sutherland: Oh, yes, sir.

Senator McElman: One further question, if I may. You are probably familiar with a Fulford story which appeared in July of this year in Saturday Night. It's headed "About a Cry of Outrage."

In this instance, Health Minister Munro made some comment about the need for subsidization of sports and in no controversial fashion he related it to the subsidy for arts, the cultural aspects that sports were a part of our culture as much as art.

The story goes on to suggest that this was a rather low news time and the CP writer or editor who did the job on it decided it was time to make an impact and his lead paragraph to the Toronto CP goes on to say:

"Health Minister John Munroe's assessment of the relative merits of sports and the arts has been greeted by the Canadian cultural community with a cry of outrage."

What apparently happened was that the CP writer called several people in Toronto which he assumed was the cultural community of Canada, and asked them for their reactions to his interpretation of what Mr. Munroe said, and it goes on to relate the treatment of this

by the various newspapers, which of course doesn't come within your purview.

I hope you are familiar with this story because I don't want to take your time of going through the whole bit, but he seems to document fairly well that the story was in fact misrepresentation of the facts as they happen.

His cry of outrage is a criticism of the way in which CP in a short news time sometimes makes a story interesting for their member newspapers and the Canadian public.

Do you have many occasions when this sort of thing may happen, or do you refute the Fulford story?

Mr. Sutherland: Sir, I haven't read the story nor have I heard of it before, and I don't recall the particular story that he was talking about. I think the pertinent question that you are asking is do we have many occasions, and I don't think that we would have that beaver pelt for pursuing the objective of independent, factual and unbiased information if we have many of them.

I don't think we would have the recognition that we have in other parts of the world.

The Associated Press relies on us entirely. There is no representative of the Associated Press in Canada. Reuters depend on us entirely, Agence France-Presse depends on us entirely for Canadian coverage.

All of us in Canada would like to see more Canadian news in the French papers and American papers and English papers. The editors there have their own choice to satisfy their own readers and their own people but I think the very fact that these three very large news agencies rely on us for accurate news is perhaps the best answer I can give to you.

On the whole, we do a good job. I think we could expect and we should anticipate and we should look forward to criticism outside our own ranks as we welcome criticism within our own ranks to sharpen us up and Fulford—I don't know. His father was one of my mentors when I was an apprentice but I have never met this man. He is free to say what he wishes. I may agree with him or disagree but this particular story sounds a bit far-fetched to me. It could have happened. It could be exactly as he says, and if you wish to go into it, since it is a technical point I think I should refer to perhaps the general manager.

Mr. Dauphinee: Well, I can answer your question sir, in one word. No.

Senator McElman: You are familiar with the story?

Mr. Dauphinee: No. We don't have many of those. I think perhaps it was a dull news day for Mr. Fulford.

Senator McElman: Perhaps Mr. Chairman, I can give the story to the gentleman and perhaps he could give me a comment on it.

Senator MacDonald: Just as a matter of general interest, I notice in your brief that when Canadian Press was organized you had 103 newspapers. Last year there were still 103 newspapers and I was wondering how many of the charter members are still in existence?

Mr. Sutherland: You mean the charter member newspapers?

Senator MacDonald: Yes.

Mr. Sutherland: We dropped down pretty close to 80 at one time.

Mr. Dauphinee: 84.

Mr. Sutherland: It has been building up since.

Senator MacDonald: I was wondering how many of those newspapers are still in existence?

Mr. Sutherland: Well, sir, quite obviously all those who have survived are still in. Most of the older newspapers would be amongst the charter members.

Mr. Fortier: If I may follow up, Mr. Sutherland, on one of your recent answers. You implied that one of the tests of how good you were was the fact that Reuters and Associated Press and Agence France-Presse relied on you for Canadian news.

Conversely in paragraph 34 of your brief you say we rely on them for European and other news.

Mr. Sutherland: Not entirely, sir, but basically yes.

Mr. Fortier: Yes, basically you do. A question that has bothered me is, do you really think that a Frenchman or an American would write the same story about the same event, or do you think they might write differently?

Mr. Sutherland: Well, sir, that is a little hard to answer, but may I suggest this, that

in part we watch the different way that the stories come in from our three services; one basically American, one basically English and one basically French.

However, in the world-wide matters, if you check the A.P., they may have a New Zealander covering an item in Vietnam and Reuters may have a Spaniard or a Frenchman writing for them—I am talking about the Continental Frenchman.

I presume that Agence France-Presse won't be entirely French in its world operation, but there would be a vast amount of duplication if we were to go out and get it on our own.

In general, I think that we have an extremely good world-wide service by using these others, and where items have a particular Canadian interest, we staff it and we have quite a list here if you wish it of our membership last year.

We had a man in Moscow, but it was our decision to pull him out because we didn't think that we were getting enough out of Moscow and those countries in Eastern Europe.

Instead, we opened a bureau in Paris to cover free Europe. It is a matter of interest also that we now have our news flowing out of free Europe in French which we translate for those members who wish it in English.

Mr. Fortier: But do you agree ideally that you should have CP men in foreign countries rather than having to rely on foreign news services?

Mr. Sutherland: I think that as Canada grows we will grow. Our growth here, I think I said, has been gradual but steady. We aren't the biggest country in the world but I would like to think...

Well, for instance, my own newspaper—I will admit that the Hamilton Spectator is bigger than I am, but I won't say it's better. We wish to have the best service that we possibly can have, and the day will come and we will probably keep growing, but we are confident that we are getting more Canadian people a full comprehensive coverage of the news in world centres.

I am not speaking now of interpreting this or involving opinions that could be given on this, that and the other thing, but we are operating for the Canadian people and the news is being handled by Canadians.

Mr. Fortier: And to attempt to do otherwise at the moment is not economically feasible. Is that correct?

Mr. Sutherland: I think to be practical the economy angle would come into it when you get down to it. I don't think the basic service—if we were able to afford Canadians in every place that the A.P. has a man and that Reuters has a man and Agence France-Press has a man, in many instances it would be a duplication. The actual story would remain the same.

Mr. Fortier: It would be written by a Canadian.

Mr. Sutherland: Yes, Mr. Fortier, it would be written by a Canadian.

Mr. Dauphinee: Basically, Mr. Fortier, I don't look on this as a matter of cost. I think it is a matter of providing top-notch news service without waste, and experience on many international assignments such as our experience in Moscow where we did have two separate reporters for a two year period for a total of four years, the cost—the high cost of maintaining that Moscow office was not justified by the relatively small amount of material that we obtained that we did not already have access to in exactly the same terms from Associated Press and Reuters.

Accordingly, we assigned special reporters to cover stories when there is a specific Canadian interest.

Now, the president mentioned that we have a long list of places we have been and I think it might be of interest to the committee if I mention some of them.

We don't have a man for instance in Norway. We have had at least two reporters in Norway on stories that involve Canadians, and one was a military exercise that was held there.

In the last year or so we have had Canadian reporters, Canadian Press reporters, in Iceland, in the Netherlands, Belgium, frequently in France, quite aside from our permanent assignment in Paris, all parts of the United Kingdom, Czechoslovakia, Hungary, Yugoslavia, and we have had Dave McIntosh of our Ottawa staff and Clyde Fox from our London bureau on separate trips to the Middle East.

We have had a man in Nigeria and we had an Ottawa reporter—he is helping to cover this hearing today—in Central America.

We have had a reporter in Japan—our sports editor who went over to cover the Pacific Games, and he subsequently took a look at the Expo site, and we will have two more Japanese trips at the opening of Expo and Canada Week, and we covered the Olympic Games I believe with a staff of four men, and we will have a staff of four at the Commonwealth Games.

This is the way we feel which is the economical way and the right way to handle our foreign coverage.

Mr. Fortier: Do you have any trouble meeting all these special assignments with your \$6 million a year budget?

Mr. Dauphinee: No, sir.

Mr. Fortier: Is this a tight or a loose budget that you have?

Mr. Dauphinee: Flexible.

Mr. Fortier: How does it compare with the budget which you had say in 1960?

Mr. Dauphinee: Our budget has doubled—in our overall total the CP budget has doubled in 11 years. Our staff is also one-third larger.

Mr. Fortier: Is it your statement that you are not prevented from doing any work of a special nature on account of financial resources?

Mr. Dauphinee: If the Canadian Press feels that the story rates a Canadian Press assignment, then there is no problem of budget.

Mr. Fortier: And there is no other area of services which you render which suffers because you say you sent two reporters to Japan?

Mr. Dauphinee: No, sir. In my first budget with was presented to the executive committee a week ago, there is a provision for an increase of two in our editorial staff; one in Ottawa and one in Quebec.

Mr. Fortier: Are there special services of a more special kind? Let us say if Canadian Press decided to report more about the arts in Canada. Again, speaking personally, I think there has been a certain deficiency in news on the arts emanating from the Canadian Press.

Supposing we wished to develop an art section—with the existing budget that you have—I repeat the question that I asked a

moment ago: would another area of your services have to be cut down?

Mr. Dauphinee: If I had to do it tomorrow?

Mr. Fortier: Yes.

Mr. Dauphinee: Yes, sir.

Mr. Fortier: If you had to do it within six months?

Mr. Dauphinee: If the need is there, and if this problem could be solved at the board of directors, the money would be provided.

Mr. Fortier: So, it's as you well said, it's flexible budget?

Mr. Dauphinee: We budget a year ahead. We try to plan so that we might anticipate what we might be doing during 1970. This is the same as any business budget.

Mr. Fortier: Again, on the budget if I may, what proportion of your budget goes for the cost of transmitting news as opposed to gathering and editing news?

Mr. Dauphinee: About one-twentieth.

Mr. Fortier: One-twentieth?

Mr. Dauphinee: Yes. More than three-quarters of our total cost is straight staff expenses.

Mr. Fortier: On the question of membership, Mr. Sutherland, I noted your comment earlier, and I am curious—as your constitution now exists, do you have a membership committee or is it a board of directors which votes on the admission or refusal of a new member?

Mr. Sutherland: We have both sir, and it comes down to the actual membership.

Mr. Fortier: Is it a majority vote that prevails or does anyone have a right of veto?

Mr. Sutherland: There is no right of veto, sir. No one has been turned down in the last 35 years. An application is made and the dealing is done at the office level and negotiations are back and forth.

If the incoming member wants to find out what it is going to cost, what do I get and so on, this is all told to him, and then it comes to a membership committee. This is a matter of a meeting and then there is another meeting of 5 or 10 minutes, and the general manager explains it—this is routine—and then it goes to the board—I am sorry, it is done at the board level.

Mr. Fortier: And it is a majority vote which carries the day?

Mr. Sutherland: Yes. I have never actually known of a poll to be taken.

Mr. Fortier: The existing members in a city for example could not vote down the application of a new publisher—coming back to the Toronto and New Glasgow example?

Mr. Sutherland: No. Basically, it's a case of getting them in. There is an interesting thing sir, in this Toronto case. By our constitution which was set up—if Senator Bourque will forgive me—a good many years ago, by misfortune it was just French and English.

There is now a newspaper in Toronto being published in the Italian language and they applied for service and we were able to give them instant service by selling them Broadcast News but the point came up, why shouldn't they be able to get in Canadian Press? But our constitution bound us to French and English. We are now in the process of changing that and we will be approaching them. Again, we can't force them to join, but we would be glad to have them in.

We were tied down by this thinking of 50 years ago sir, but it is now being amended.

Mr. Fortier: I was wondering Mr. Chairman, if we might ask Mr. Sutherland to file with the Committee a copy of the by-law; I think you referred earlier to your guidelines but not to the by-laws.

Mr. Sutherland: We would be happy to supply that, Mr. Chairman.

The Chairman: Fine, thank you.

Mr. Fortier: Your rate structure as it appears to me as a layman, appears to be very complex. Could you give us one or two examples. We will take two or three dailies—let's say one with a circulation of ten thousand. What rate—what annual rate would that newspaper be assessed?

Mr. Sutherland: My own newspaper is in that category.

Mr. Fortier: That is why I took it.

Mr. Sutherland: What do you mean by a rate increase? I happen to know there is a rate increase going through that the members don't know about. The decision was only made a couple of days ago in Ottawa, but we will be paying slightly above \$12,000 per year.

Mr. Fortier: Well, let's move up to a daily with a circulation of 20,000?

Mr. Sutherland: Sault Ste. Marie...

Mr. Dauphinee: To compare figures evenly we should probably go to 1969 figures to put an increase on for this year. The year before, a paper with a circulation of 9,000—you paid \$11,215 and in the same year a paper of roughly double the circulation, say 19,000 paid \$19,182.

Mr. Fortier: And a newspaper let's say with a circulation of 50,000?

Mr. Dauphinee: \$38,228.

Mr. Fortier: Those figures again?

Mr. Dauphinee: \$38,228.

Mr. Fortier: It would appear from a very fast look at these three figures that the smaller papers pay relatively more than the larger newspapers?

Mr. Dauphinee: The rate per thousand reduces as circulation increases.

Mr. Sutherland: This is a very sore point with people like me. Again, I would like to say...

Senator Prowse: You are working on that one.

Mr. Sutherland: No. You can't be a co-operative and be fighting all the time. We fight for our own benefits to improve the service but we are 50 years old and we have a tradition and we work it out.

The rate does go down with the larger papers and we accept that.

Mr. Dauphinee: The thing is, Mr. Fortier, the thing that needs to be remembered about the fee structure is that this was not something imposed on the membership as would be the case in commercial companies. This was taken by decision—we first had an assessment committee study reported inequities, and then by the executive committee and then by the board and finally by the membership as a whole. So it is the membership that decided how the cost should be decided.

Mr. Fortier: Assuming a newspaper in Canada with a circulation of 400,000, what would be the annual fee?

Mr. Dauphinee: If it was in a city by itself it would be about \$160,000.

Mr. Fortier: What do you mean by that?

Mr. Dauphinee: If it was in a city with no other papers.

Mr. Fortier: And if it was not?

Mr. Dauphinee: If it were in a city with other papers it would pay lower because the total circulation would be larger and the rate would be lower.

Mr. Fortier: And that is where that complex method of calculating the rates comes in?

Mr. Sutherland: If I may say so sir, it is extremely complicated. The only satisfaction that we have is that the A.P. in the United States, I believe, has been looking at us in recent years as theirs is even worse.

We are smaller and by the nature of things, we are closer to each other and our members over the years become friends. It is possible to work things out and get down to a sensible basis.

Senator Smith: Mr. Chairman, may I ask a question?

The Chairman: Certainly.

Senator Smith: So I may get a better understanding of this whole area, I am sure you can tell me how much newsprint a 10,000 circulation newspaper uses. Don't tell us what you personally use...

The Chairman: I should say in fairness, Senator Smith, that the witness is not here as a publisher of his own paper. By all means he can answer the question, but I don't want you to feel that you should have to.

Mr. Sutherland: I am sorry, I really can't answer that question. My brother Bill handles the business end and a man from your constituency could tell you this because we buy from a manufacturer there.

Senator Smith: My neighbour sells it to you.

Mr. Sutherland: I would think we use approximately somewhere between four and five hundred tons a year. This varies naturally by the number of pages and the number of advertising.

Senator Smith: Well, Mr. Sutherland, I was just wondering what your relative cost structure would be.

Mr. Sutherland: The smaller newspapers are hit less by an increase in the price of newsprint and hit more by an economy in which general prices—inflation hits, and the cost of wages go up, because proportionately more of our money goes into staff than in the bigger papers. I think this is general across the country.

The Chairman: Senator McElman?

Senator McElman: Mr. Chairman, there is one complaint that we have often heard across the country and it is generally levelled at the local level against individual members of the newspaper fraternity. It is a complaint by organized labour that on union activity and disputes and so on, the union does not get a fair deal.

Now, understand me clearly. I am not supporting the contention. They suggest for instance that a strike in itself is flash news but not the best news, but what caused the strike is really the thing the Canadian people should be interested in. Now, this is from their viewpoint, of course.

Now, do you as a news gathering and disseminating organization face this charge or is it more at the localized level?

Mr. Sutherland: Well sir, the criticism also comes that we pay too much attention to strike news and we don't give enough attention to the management side. We endeavour to cover both sides and these are the instructions to the staff carrying this out.

I have never been in on the details of it, but perhaps this should be handled by the general manager, but I know in general it's a very difficult situation to get both sides to talk.

The Chairman: I think in fairness to Senator McElman's question and in fairness to you I should point out that representations reaching the committee—we have none that I know of from management complaining as you suggest. We have received and expect to receive more from labour, and I think that is possibly why Senator McElman asked the question.

It may be that management feels this way as well, but we are not aware of it.

Mr. Dauphinee: Well, we had correspondence with an old friend of mine who worked on the staff, Mr. Jack Williams of the Canadian Labour Congress, and we had an exchange of correspondence, which I appreciated, on many of the points which he felt was a lack

of emphasis and a lack of attention to labour news.

I think similarly he appreciated a number of the points that I made in my reply, but we had to agree that labour news is of growing importance.

One of the reasons we have added a man to Ottawa or applied to have authorization granted for a man for Ottawa, is for the express purpose, to provide more time for labour reporting. This is specifically stated in our approach to the executive committee for permission to add the man to Ottawa.

The Chairman: Are there any other questions of the Senators?

Mr. Norman Smith: You raised what, if I may say so, seems to be a very understandable question as to why the Canadian Press could not keep a check of the news that it sends out as it had been run in the newspapers and I think on the face of it we replied no, we did not keep a formal full check.

On the basis that this looks as though we are not giving the customer necessarily what he wants—and I think that while you are thinking about that you might keep in mind that in the case of CP, the customer is also the buyer and is also the producer. The service is really tailored for the membership.

Now, in this case you had mentioned that it would seem a long time to wait before the publisher or the editor reached the annual meeting, but in fact as well as an annual meeting there is a spring meeting and there are regional meetings which go on in addition to that.

There is, in addition to that, a stream of letters going back and forth and there are managing editors who then come in daily to the publisher or to the editors and say, I have not got this, or they have been sending us too much of that, and for goodness sakes, get on the blower and tell them.

I think it is significant that if we were laying down too much news that was not being used, the publishers and editors would feel that this was probably news that they weren't getting and that they would like to get. When that is the case, we hear from them.

I think there is almost a daily rapport between what really gets into the paper not in the form of a formal check but the regional superintendent—and I have been with CP for a number of years—the regional superin-

tendent always in fact checks the papers to see how the things get along and when there is too much news that is not getting in that should have got in or when we feel they haven't run a Canadian Press story, we check to see why it didn't get in.

I think it is a much closer check than you might get from the fact that we don't keep a formal one, but also lastly, the difficulty in keeping that check is further complicated by the fact that many papers have many editions, and you would not be just checking one edition.

A paper might decide to use an item in the first edition because it was the kind of item that suited the region that first edition would run to, but not in the second and so on and so forth. It would set up a very considerable bookkeeping operation and I really don't think it would accomplish what you have in mind.

I think really the customer would let us know—would let the Canadian Press know if he was getting too much stuff that he didn't want.

The Chairman: Thank you.

Senator Hays: Yes. I was pleased to learn that when the Canadian Labour Congress learned when they weren't getting the fair treatment as far as coverage was concerned—

Mr. Dauphinee: Not unfair treatment, sir; insufficient.

Senator Hays: Well, the coverage was insufficient.

Mr. Dauphinee: They didn't accuse us of being unfair.

Senator Hays: Do you as a group or does your executive sit down and say "Well, here is a field in industry that we feel is not getting a fair amount of the news and they should be given preferential treatment." That sort of thing?

Mr. Dauphinee: I mentioned sir, that that was brought to the executive committee with a request, as part of the reason for a request for an addition to the Ottawa staff.

Primarily, that sort of comment and dealing with people who may question our coverage—this is the type of matter that we would deal with at the next meeting of the executive committee.

Senator Hays: So that any group that felt possibly more exposure, or felt that they were entitled to more exposure, then you listen to this?

Mr. Dauphinee: That's right. We may not give them more exposure—

Senator Hays: Oh, I realize that.

Mr. Sutherland: This happens all the time.

Senator Prowse: I have two questions which I could put very quickly. I know you must be concerned with the question of providing diversity in the news. What technique do you use in order to assure that there is a diversity in news and this gets across to the public?

Mr. Dauphinee: You mean a diversity of opinion?

Senator Prowse: Yes, I guess it would come down to that, different points of view.

Mr. Dauphinee: The second paragraph of the principal section which is the introductory chapter of the style book which is required reading for every employee says:

"The Association has no interest except to fulfil its purpose unbiased, fearless recording of facts. Conflicting sides of a dispute are given balanced objective treatment."

This is the way we go about it. Sometimes there is criticism that because of the set-up in journalism there is a lack of access to the media by minority groups. I think I probably hear more criticism that we provide too much coverage dealing with the dissenting groups and minority groups, and I don't think that is necessarily bad. I think that ultimately this brings up the other side and you soon get back to a balance in any case.

Senator Prowse: Just by getting as much as you can?

Mr. Dauphinee: That's right. While we operate the service, we don't own the service. As you said earlier, we have 100 bosses and if the Edmonton Journal where an old friend of mine is the publisher, Ross Munro—if the Edmonton Journal thinks we are not providing sufficient coverage on some element of the populace, then he tells us.

Senator Prowse: The second question has to do with staff. Do you have any problems in

getting staff that are qualified and what is your experience being able to hold people in the business?

Mr. Dauphinee: I think we have the best staff that we have ever had, partly because it is a larger staff but basically because it's better qualified.

I went into the staff records just for amusement and preparation and I found that on our staff—and I am talking now about Canadian Press only—I found that on our staff we have 177 in the last payroll. Editorial staff I am talking about.

We have 59 university graduates in that number; that is one-third. We have 38 B.A.'s, a half dozen with B.A.'s plus journalism certificates or diplomas, six Bachelor of Journalism, six M.A.'s, two Bachelors of Science and one Bachelor of Science and Social Sciences. 53 others on the staff attended university but didn't graduate. People like me—I ran into the Depression and got out of university. Six others have no degree but they have a journalism diploma.

So that a total of 118 that I have just mentioned, 33 were hired before 1960 and 85 since, and of that 85, people with university experience, 67 of them were hired since 1965. So the tendency is more and more to hire people with university training and university background.

Now, as for keeping staff, we lose more than I would like to see us lose. It is not all a complete loss. You get a friend up the line and you have someone in the department who knows how we operate and so on. We lose more people to government and public relations than we do to other newspaper or broadcasting situations.

Our salaries are getting better and we don't lose as many as we did. The last three young people we have taken on in the Ottawa bureau are out of the M.A. stream at Carlton. This is the sort of people that we can now attract.

These fellows are not old pros immediately, but they are the young fellows that ten years from now will be doing a hot shot job.

Senator Prowse: They have the basic equipment now?

Mr. Dauphinee: Yes.

The Chairman: I would like to ask just two questions.

The first is, do the editorial staff of Canadian Press belong to the American Newspaper Guild?

Mr. Sutherland: No, sir.

The Chairman: Has the Guild tried to organize the staff?

Mr. Sutherland: A good many years ago.

The Chairman: Have they tried recently?

Mr. Sutherland: I don't know. They may have.

Mr. Dauphinee: We would be the last to know.

The Chairman: Another question I wanted to ask: Mr. Sutherland, do you think it is one of the functions of the press in Canada as opposed to the Canadian Press to contribute to national unity?

Mr. Sutherland: Well, we at the Canadian Press take pride in our day to day work.

The Chairman: I am talking now not about Canadian Press but of the press of Canada.

Mr. Sutherland: You are asking my personal opinion?

The Chairman: Yes.

Mr. Sutherland: I am happy to contribute to Canadian unity. I don't think Senator Bourque would want me to go over and shake his hand for being a Canadian, but I love to hear a Quebec voice.

My earliest training in newspapering was in the Province of Quebec, in Montreal, and I got along very happily there. I am very fond of Canadian unity.

The Chairman: Well, let me be more specific. In the Broadcasting Act, broadcasters by the Act must contribute to national unity. Actually that phraseology is in the Act itself.

I wonder if—I don't think newspapers should be compelled to do anything, but should they in fact—what interests me is the fact that this phrase is in your brief. You say the Canadian Press, one of its purposes and functions, purports to be contributing to national unity. I am wondering if that is the role and function of the Canadian Press, is it fair to go further and say that is the role and function of newspapers in Canada?

Mr. Sutherland: I would put it this way, sir. I quite agree with you that you shouldn't compel, because as soon as you compel you are not free.

I can't think of a newspaper which isn't interested in Canadian unity.

The Chairman: Well, interested and contributing—there is a difference.

Mr. Sutherland: All right, I will say contributing.

The Chairman: You believe that all newspapers do?

Mr. Sutherland: I should think they do by the way they operate and by their efforts and their editorial policies and their reporting from Ottawa and the thinking of the people who run them. They are all interested in seeing Canada stay Canada.

I am speaking now strictly on the English language papers. I must insist that I will not speak for my French colleagues. My French colleagues are very capable of speaking for themselves and I have the utmost confidence in them at all levels.

The Chairman: Well, thank you Mr. Sutherland, Mr. Dauphinee, Mr. Speers, and Mr. Edwards. We have been grateful to have you here and it has been a long session. I apologize for having been so long but it has been useful to us and we are grateful to you.

The Committee adjourned.

(Upon resuming at 2.30 p.m.)

The Chairman: Honourable Senators, this afternoon we welcome the publisher and the editor of the Windsor Star. The publisher is on my right, Mr. Mark Farrell. On my left is the editor, Mr. Norman Hull.

I say to them that your brief was received by us some three weeks in advance, as we requested. It has been circulated to the members of the Committee. I think that for purposes of this afternoon's discussion, we can take the brief as read.

I propose, Mr. Farrell, in keeping with the Guidelines, to offer you now as much as 15 minutes. You need not feel you need to use all that time, but by all means, if you wish, you may.

In that time period you can summarize your brief, expand, explain and review, or talk about anything else. Following that, we will have a question period on contents of your brief, things you may or may not say, or

anything else that the Senators want to talk about.

I should say to the members of the Committee and to Mr. Farrell and Mr. Hull that as you people are the first publishers we have received, it could be in the course of the afternoon that the Senators will wish to ask questions pertaining to financial information, the nature of which you may feel is confidential.

Should that occasion arise, and of course, it may not, we would be prepared at your request to conduct part of the meeting in camera.

Mr. Mark Farrell, Publisher, The Windsor Star: I just want to make a very brief statement. We have tried in our brief to be brief and I think we can serve a useful purpose by answering your questions.

There is only one point that I want to touch on. Whereas I support the brief of the Canadian Daily Newspaper Publishers Association as it is written, I think that my concept of the freedom of the press is somewhat different from that as reported of the President of the CDNPA.

Other than that I think I would rather answer questions.

The Chairman: Fine. Thank you.

I think that this afternoon's questions to begin with might be from Senator McElman.

Senator McElman: Mr. Chairman, perhaps the witness would care first of all to let us have his view of what the freedom of the press means.

Mr. Farrell: Well, as we said in our brief, it is an old whore that should be retired. It is used; it is supplied and it has been prostituted so often that I prefer the expression, a free flow of information. I do not consider the freedom of the press as anything to do with taxes, or finance. It is purely the free flow of information.

As we said in our brief, I think your colleagues, Senators are very impressed with the thing on freedom of the press.

The Chairman: Which is appended to your brief.

Mr. Farrell: Yes.

Senator McElman: You have in your brief given some strong views and support for the principle of a Press Council and suggested

that it would work most effectively in a nation such as ours if it were operated at the local, provincial and federal levels.

Mr. Farrell: Yes.

Senator McElman: Would you care to elaborate a bit upon that?

Mr. Farrell: Well, you see, I think our country is so different from almost any other country that the newspapers are basically local. We have no national newspaper really, and as such, I think it has to start at the community level. If something happens there that is of national, or I would say in the first instance, provincial importances, it could move up to a Provincial Council and then in the final analysis, up to Ottawa here.

Senator McElman: Thank you.

Mr. Norman Hull, Editor, The Windsor Star: I just want to say when considering the community council, we also are being a little selfish because we feel not only would this benefit the Windsor Star, it would benefit us also if we had a group of responsible citizens who sat down and said, "What is wrong with our papers; what is wrong with so and so?"

We feel it is a two-way street and we both are coming down it.

Senator McElman: Would you take the second and third levels, provincial and federal levels, as being made up of publishers, newspaper people, as a self-policing organization, or in combination with private citizens, as he says?

Mr. Farrell: First of all, self-policing. It should be about 50-50 newspaper people. On the other hand, if the other half would be the public, then the Chairman should be a public figure and not a newspaper.

Senator McElman: Right. You state in your brief, Page 16, Paragraph 37:

"The majority of newspapers appear to be opposed to the formation of press councils. If the chains had one vote each it is debatable whether this would be the case."

Does this imply that chains, as such, are against press councils?

Mr. Farrell: I think you would agree that I should not mention any names. To the best of my knowledge, two of the major chains are

opposed and the third one is in favour. But it is a question of newspaper numbers.

Senator McElman: Since you are the first spokesman or witness for the industry, the independently-owned press, and your brief shows rather clearly that you wish to remain so, as opposed to becoming part of a group-owned chain, can you tell us some of the principal problems that you face in remaining in it? Perhaps you could give particular reference, although you have dealt with it to a degree in your brief—the estate taxes and even more currently, the implications of the current white paper on taxation, as it would affect the closely held independent group and any other problems that you might wish to refer to?

Mr. Farrell: If I can start in order. We have no trouble in maintaining independence as of now. But the only reason we are in on account of a combination of good luck, good judgment, and very frugal operations of the newspaper to prepare these succession duties.

As of today, they are okay. We certainly have no past resources, but we have enough resources to publish a good, responsible paper. We have been extremely heavily hit by succession duties. As we said in our brief we do not believe it is fair to place a valuation on the paper, as valuation to what chain would pay for us, because it is obviously a higher price than an independent would pay for us.

I think we have incidents where taxation is somewhat unfair. I think it also is unfair that in the case of the independent newspaper, one has to pay straight away, instead of say 10 or 20 years to pay it off. It is a sudden bang.

As to the white paper, I do not think this will affect us one way or the other. I am only talking for ourselves because what has happened has happened in the past two years.

The Chairman: Senator McElman.

Senator McElman: Are there any particular areas of activity as an independent in which you face competition with groups or chains that you would consider out of the ordinary, such as for staff salaries and wages and advertising rates?

Mr. Farrell: No; no; absolutely no.

Senator McElman: My next question, and I ask for the patience of both the Chairman and the witnesses, is rather lengthy I am afraid.

The Chairman: Is it a question or a speech?

Senator McElman: It is a question with some foundation necessary.

The Chairman: All right.

Senator McElman: You make rather extensive reference to what you consider the ills of conglomerate ownership in the communication field. We assume you mean all media.

Do you believe that publishers, editors, and reporters—being human beings—could be expected to perform their functions in full conscience if the conglomerate owning their papers also owned or controlled—and here is where I ask you for patience—pulp and paper and saw mills, oil refineries, shipbuilding yards, bus lines, finance companies, engineering firms, base metal mines, fishing vessels, a deep sea fleet of vessels, boat companies, real estate companies, financial institutions, structural cement components, cement manufacturing for industry and construction purposes, steel fabrication plants, bus assembly, prefabricated homes and classrooms, a widely based gas, oil and automobile accessory distribution system throughout several Provinces, wholesale and retail hardware business, light and heavy equipment manufacture and sales—to mention a few of them, conglomerates that also have financial interests out of Canada—would the publishers and editors, reporters, et cetera, of the newspapers owned by such conglomerates be able to carry out their duties as responsible reporters of news to the public, or would they conceivably be conscious or subconscious in their consideration of the news stories as to the effect upon the other elements of the conglomerate?

Now, I hope this is not unfair to you, but you are an independent newspaper man—apparently without any inhibitions or strictures.

Mr. Farrell: Now, as we said in our brief, we only speak for ourselves. I think that I could answer maybe simply and I am not charging the answer is that.

It is hard enough for any newspaperman to do a good job and all that you cite, I think, makes it even harder to do a good job.

Senator McElman: Thank you.

The Chairman: Do you have more questions, Senator McElman?

Senator McElman: Yes.

The Chairman: Is this also a speech or just a question this time?

Senator McElman: I would like to ask as well what your experiences are or your views are with respect to organized labour in the newspaper field. Are you a union plant?

Mr. Farrell: Yes; we are.

Senator McElman: Is it Guild?

Mr. Farrell: No. We have no Guild. Otherwise it is completely unionized by all the ordinary craft union, ITU, LPI, typists et cetera. They are like newspapers. Some of them are easy to deal with and reasonable. I think I would say reasonably good. Others are—well, like pulling a wildcat strike; they welcomed me as publisher that way. As a matter of fact, we were hit hard. I think there is only one union that has not played fair; I think the others play fair on the whole.

Mr. Hull: I would like to say, Senator, that we did have a fair vote under the Department of Labour of Ontario for the Guild and they lost.

The Chairman: How long ago was that?

Mr. Hull: It was in 1946.

The Chairman: 1946

Senator Beaubien: 1946?

The Chairman: 1946. Senator McElman.

Senator McElman: At Page 11 of your brief, Section 17(b), the question put to you was. Is it desirable and economically feasible for the Canadian media to have more direct representation in major news originating areas of the world? Your reply is yes, desirable and economically feasible. Does your answer mean through Canadian Press or some news-gathering service of similar type, or direct representations?

Mr. Farrell: I was answering that really in the context of the Canadian Press. We have in very round figures, about two percent of the circulation in Canada. We pay Canadian Press around \$90,000 a year.

I would be very happy to pay them \$95,000 a year, another \$5,000 which would mean another 40 times that, another \$200,000 for Canadian Press. We would like to see extensive coverage out of Washington in particular.

I do not think the Canadian Press does a complete job. I do not think they can cover

Washington with the staff they have. They cannot cover from a Canadian point of view. \$5,000 would not be the cost of a reporter of our own down there. Staffing and everything else would cost us \$20,000 and he only could touch the odd place here and there.

Senator McElman: We had an opinion on that this morning from CP and probably will get the other side of the coin.

Mr. Farrell: I have not heard anything CP said and I emphasize we only are talking for ourselves.

Senator McElman: You speak of Washington. You would feel the same way with respect to other world capitals where they presumably have events happening of intense interest to Canadians?

Mr. Farrell: Washington in particular.

Senator McElman: In 17(c) you say "Is there a Canadian viewpoint, or an attitude rooted in the Canadian experience, which is not receiving adequate expression?" Your answer is "Yes."

Would you elaborate on that?

Mr. Farrell: I think the answer to that really is in the answer to 17(a). We say "It is important here to define the difference between news that comes in or is gathered by the newspaper and the news that is published by the newspaper. We estimate that 65 percent of the news that comes in and is gathered by our own staff is non-Canadian. Publication of the news is another matter. We estimate that 70 percent of the news we publish is Canadian."

I think the mathematics of the situation indicates that we are not. We are not getting enough Canadian views so that we can make our choice. We send out our own people to cover important stories, elections and things like that, because we feel we do not get enough stuff over the wire.

Senator McElman: In your particular location, eyeball do eyeball with your confreres in the United States, do you feel a pressure to carry United States content?

Mr. Farrell: No; oddly enough, no. We cannot carry some United States content that we would like to because the syndicate with rights in our area has a different view. This is somewhat irritating.

Senator McElman: Thank you, Mr. Chairman.

Mr. Hull: I might add to that interest of American news. There is a definite interest in Detroit itself, which we consider one of our suburbs almost. This is to the degree that they are interested in who is Mayor of the City and they are interested in Michigan news to a limited degree. It is almost like another province because of the mere fact that we have about 4500 Windsor people working in Detroit and untold hundreds more who are former Canadians working in Detroit.

The Chairman: Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman.

I think I should direct this question to Mr. Hull. I am reading from Page 7, item 8(d) of the brief: "What are the principles governing your selection of the news, information, and other material you present, and the apportionment of time and space allotted to the various kinds of material?"

The answer is "The truth. The balance and format of news is determined largely by tradition."

I wonder if we could have a more detailed answer. For example, you are a newspaper that publishes right on the shores of the Detroit River. How have you treated the problem of pollution in the river in your newspaper in recent years?

Mr. Hull: Starting with our editorial page, we have enumerated in editorials and numerous editorials bringing it to the attention of all parties, government agencies, and so on.

We have on our staff a man we almost consider a pollution expert because he is one who has done so much extensive research in it. Actually, we have a 16 column spread in the center of the paper which is an editorial and eight pages of comment. We have had innumerable articles pointing out with pictures—we have had one of our local members of Parliament essentially interested in that. We had him submit an article of his own.

I think that we definitely have stressed this, called it to the attention of authorities, just about as strongly as we possibly could. We are getting results. Mr. Kerr of the Provincial Government seems very interested. We have recognized his ability and his apparent concern and keen interest in this problem. So far as pollution is concerned, I think we had a very strong editorial not very long ago about

pulp and paper companies polluting. We said "We are going to take a very close look at suppliers as to how they are treating the pollution problem."

In other words, clean it up or maybe you are going to lose some business.

Mr. Fortier: Were you assessing your performance in this respect, would you say that you performed truthfully and fully? Is that correct?

Mr. Hull: Yes; I would think so.

Mr. Fortier: On another front, Windsor is a labour town, a UAW town. How have you treated the labour scene in your newspaper in recent years?

Mr. Hull: I think the best way to answer that, sir, is there was a party in Windsor a week Friday night for a gentleman by the name of Angus Munroe, who is one of the senior reporters, with us almost 40 years. Most of his experience has been on the labour beat.

This was not a Windsor party. This was a party arranged by his happy public, some 200 people representing all phases of life—Red Cross, etcetera. The longest and finest telegram was from Walter Reuther saying how much he appreciated Mr. Munroe's very fair and accurate reporting.

Mr. George Burt, who had just retired as the Canadian Director of the UAW, was there and made a very fine speech. They were followed by Mr. Ron Todgham, President of Chrysler, who certainly had fine things to say about Mr. Munroe's labour writing, etcetera.

This was followed by the President of the Chamber of Commerce. This to me was a pretty close picture of how we presented the labour news. Mr. Munroe also said he was very proud of his editor for 40 years. He honestly could say he never had been instructed or advised how to write a story. This is with the Windsor Star.

We cover labour very extensively. We have two men who are, we feel, experts on this field. We have a labour column twice a week and it is a column of labour news, appointments in labour and long statements sometimes, along with editorial statements from Mr. McDermitt and people like that.

I would say that possibly this is one field of reporting that we have improved greatly on in the last 10 years.

Mr. Fortier: Would you say that you have become more labour oriented than management oriented in the last 10 years?

Mr. Hull: I would not say we were oriented either way. I would say we have improved. I would say this is the increase in coverage. We have a man in Ottawa today who is with the UWA presenting the brief to Mr. Pepin on the auto pact.

We cover all labour organizations, Canadian wide, provincial wide. We give a fair and accurate coverage of strikes, etcetera, as such. I would think that our relations with labour as such today are very good. I think they would agree with that statement.

Mr. Fortier: How many reporters do you have on your staff to whom you can give assignments in depth, on a particular topic to examine and study and report upon in a series of articles?

Do you have the staff available to do this sort of thing?

Mr. Hull: Yes. We have approximately 105 on our editorial staff. I have 25 city reporters at this time and, of course, every paper has major beats such as labour, education, church, city hall, etcetera.

Our staff today, I feel, is the strongest we have had in my 39 years with the paper for the simple reason you bring out—that we have been very successful.

If I may just take a minute to explain how we get staff; we originated a summer training program about four years ago. I hire eight to nine university men, preferably. They are students who definitely have decided to make a career of journalism.

We try to get as many first year students as we can. We pay them well. We have had some of them two, three, or four summers.

Mr. Fortier: What is the starting salary right now?

Mr. Hull: Roughly \$90 a week. This is for the first year. We increase it every year, of course, if they come.

I should say this. Last year was our 50th Anniversary and we produced a 316-page paper. We had so many staff working on this, we had to curtail the student program. However, in the two years previous, 10 out of our 12 reporters came through this system.

Now, you asked me how they are as experts. I would say that we have in practi-

cally every major field a man who we feel can sit down with any expert in the field and talk sensibly to him. This also is achieved by a program we have of adding to the education.

We have maybe four now with BAs' working on MA's. We pay the salary. Any people on our staff who want to take night courses or anything, so long as it is not French horn or something like that, we will pay the full tuition fees. This has worked out very well. It is something like Russian roulette. We have educated and trained a lot of reporters for other papers, but we feel it is to our advantage.

Now, we try to steer them into increasing their education in the field in which we want them to work; for example our business writers take postgraduate courses in business and labour relations, etcetera. I would say we possibly have at least 14 to 15 members of our editorial staff who could be judged as experts in this field.

Mr. Fortier: Do you have a large enough staff at the moment, Mr. Hull, or could you use more money to hire more reporters?

Mr. Hull: I never have been instructed, especially by the present publishers, as to limitations of staff.

The Chairman: I think the present publisher wants to say something.

Mr. Farrell: On your question on labour, I thought you might be interested in the fact we have started a purely private survey. We already have done 250 in Windsor on a strictly statistically controlled basis. We will be happy to give your committee the final results after we get 750.

The Chairman: We will be glad to receive that.

Mr. Farrell: The first wave of 250 answered the question "Do you consider the Star pro-labour?" papers?", etcetera. The scale said pro-labour, 22 percent; slightly on the side of labour, 27 percent; in the center, 31 percent; somewhat anti, 10 percent; very anti, 10 percent.

Mr. Fortier: You have a very wide reading.

Mr. Farrell: And on our political base we asked what party they thought we supported. The answers broke down as follows: Liberal, 26 percent; Conservative, 9 percent; NDP, 1 percent; and 64 percent, no affiliation.

The Chairman: What is the correct answer to that?

Mr. Farrell: 100 percent no opinion is the correct answer to that.

Mr. Fortier: Thank you.

The Chairman: I want to apologize to the Senators and everyone present for the heat. I understand there is something wrong with the ventilation. It is in the process of being fixed. If you will bear with us, hopefully we will be able to adjust the heat downward in a moment or two. It is being attended to now.

Mr. Fortier: Well, Mr. Farrell or Mr. Hull, on this point of coverage of the labour scene, do Canadian papers generally—in your opinion—give adequate coverage to the labour scene in Canada?

The Chairman: Did you hear the question?

Mr. Farrell: Yes. I do not think I would like to comment on that. It varies from paper to paper. I think we only speak for ourselves. All the other papers will be appearing and we would rather have them speak for themselves.

Mr. Fortier: The Committee might also like to hear the views of the individual publishers on how other newspapers compare in the country rather than have a self-praise answer.

Mr. Farrell: Well, no. It is something that we are troubled with and I do not think the normal householder buys probably for four, five Canadian newspapers. I buy three. How can I judge?

Mr. Fortier: All right. I also was very interested to read and hear your remarks about the estate taxes.

Mr. Farrell: I know it is a matter of deep concern to you and other independent newspapers in Canada. Would you have a suggestion to make as to how this burden could be either removed or alleviated by legislation?

Mr. Fortier: Could we hear your views, please?

Mr. Farrell: I think in the first place, the evaluation as I previously said should be based on what other independent owners would pay for the paper.

In the second place, I think that there should be a 20-year delay. If the payments go over 20 years and you could set a rate of

interest of five percent and if the paper were sold to a chain or group, all those taxes would become . . .

Mr. Fortier: Be recaptured.

Mr. Farrell: Straight away, plus your five or six percent interest.

Mr. Fortier: What about the suggestion that has been made in some quarters that there be no estate taxes levied if the newspaper shares were handed down to members of the immediate family?

Mr. Farrell: I would like it, but it is hardly equitable to everybody else who has to pay taxes. I think we should pay our fair share of taxes, the same way as everybody else.

Mr. Fortier: Your suggestion is that it be deferred over a period of time?

Mr. Farrell: Yes, and the valuation not be an excessive one.

Mr. Fortier: Yes. You are marrying the two answers together.

Mr. Farrell: Yes.

Mr. Fortier: You spoke very eloquently in favour of a press or newspaper community council. We read in your brief, Item 29, that the establishment of such a council is not an immediate priority for your newspaper.

Could you explain, Mr. Farrell, why you do not consider that it is an immediate priority and also, what are the immediate priorities of your newspaper today?

Mr. Farrell: I would say our immediate priority comes in having to hook up two different sorts of presses into one line, which is going to be a tough job. I think we are somewhat understaffed.

We are trying to get extra staff. Norm Hull and I want to work on those areas of the paper until we are satisfied. I would say that we would hope we would be able to start a community council before the end of 1970.

Mr. Fortier: Thank you.
Senator Everett.

Senator Everett: Mr. Farrell, in Item 2(c) on Page 3, you state that the concentration of ownership of newspapers "is obviously not socially desirable and obviously criteria other than the marketplace should apply."

I think it has been put to us by those who have concentrated ownership that it is desira-

ble in order to maintain what they call freedom of the press. I wonder if you would mind commenting on why you feel concentration is bad.

Mr. Farrell: I could start simply then by giving a quote from the Hutchins Report, 1947, the famous report on a free and responsible press.

In the first place, a newspaper influences more than one would hope. Therefore, in a democratic society, I believe, there should be the greatest possible fragmentation so you get dissenting opinion.

I should like to add here that I do not mention any names. Again—there are chain-newspapers that are incomparably superior to some independent newspapers, and if I can quote the Hutchins Report to you: "Freedom of the press for the coming period can only continue as an accountable freedom. Its moral right will be conditioned on its acceptance of this accountability. This is a legal right that will stand unaltered as its moral duty is performed."

I think the concentration of ownership tends to mitigate against this.

Senator Everett: Mr. Farrell, I wonder what constitutes competition in the income sense for the Windsor Star? I think it is true to say that your income is from advertising revenue, circulation, and a certain amount of public job printing, and perhaps returns on investments of a short term nature or something like that.

Mr. Farrell: Well, our competition basically comes from the other media—television and radio. I think that the best way to express it is that the radio station AM-FM of CKLW is about to be sold for somewhere between \$8 million and \$16 million. Now if that is only on an advertising base, I would say any price in that range would be something that could not be.

\$16 million certainly is way over the price that any sensible person would pay for the Windsor Star. That radio station is only one of six radio stations in our area, our community.

Senator Everett: Do those radio and television stations preclude you from raising your advertising rates, or do you find rather that a newspaper is a unique advertising medium? Within broad limitations, is your freedom to raise your rates pretty well as you see fit?

Mr. Farrell: Yes. I think we would raise our rates to what we figure the traffic will bear.

Senator Everett: And in raising those rates, you do not give then, presumably, a very heavy consideration to the rates of other media?

Mr. Farrell: No. We give more consideration to the rates of other newspapers because the national advertiser compares one newspaper against another, so one obviously has to hew to that line.

Senator Everett: The newspapers would be newspapers in the jurisdiction of other cities. You would not be able to give consideration to newspapers within your own circulation area.

Mr. Farrell: No.

Senator Everett: You really would have no competition.

Mr. Farrell: Well, we have competition from Sarnia and Chatham and the London Free Press, but this is only in what I call our fringe areas.

Senator Everett: So then, consideration is given for the most part to the view of the national advertiser?

Mr. Farrell: Yes; and the retailer.

Senator Everett: You say the national advertiser because he is the one who would compare say Toronto, Winnipeg, other newspapers that would not be within your circulation area?

Mr. Farrell: 50 percent of the retail advertising has a national base.

Senator Everett: You mean it is subsidized at a national level by national companies.

Mr. Farrell: Yes; plus the fact that in Windsor, I think every principal department store is owned outside of the city. One department store is home-owned; all the others are owned by chains.

Senator Everett: They, sir, would not be concerned though with what you are charging, say, Eatons in Toronto?

Mr. Farrell: Oh, yes.

Senator Everett: Would they? What would their alternative be if they thought you were charging too much in, say, relation to a Toronto newspaper?

Mr. Farrell: Well, cut the space or go into radio or television.

Mr. Hull: Shopping News.

Mr. Farrell: We have a Shopping News. In setting up the advertising rate, we hear "Really, we just hope you do not increase it too much; that is all."

Senator Everett: The point I am trying to establish is that a newspaper like the Windsor Star, it seems to me, because of its position in the community where there is no direct competition, has a very wide latitude in raising its advertising rates.

Mr. Farrell: Hardly; hardly. It is more a question of attitude, than a paper in Montreal, Toronto, Ottawa, Calgary—those are the only four cities where there is direct competition—and St. John's, Newfoundland.

Senator Everett: To what extent is profitability related to the concept of freedom of the press?

Mr. Farrell: I do not think it has any relation whatsoever. That is why I say freedom of the press is that old whore that should be retired. It has not got anything to do with it whatsoever. I do not think—I do not like the phrase "freedom of the press". It is the free flow of information.

Now in order to publish, a metropolitan newspaper has to be viable. It has to be profitable. Otherwise it will go under. However, subject to that, I do not think that it has anything to do with it whatsoever. I think there are two totally different things.

There is the free flow of information. It is your responsibility to handle the news, be in charge of your area circulation, and to get as much as you can from your advertising.

Senator Everett: As much as you can get from your advertising?

Mr. Farrell: Certainly, certainly.

Senator Everett: I put a question yesterday to Mr. Costello, which I will put to you. I said that in his judgment if a government agency were set up on the premise that an independent newspaper because of its independence and virtually non-competitive position in the community would be free to set its own advertising rates, and that newspaper should be handled much the same as a utility is handled. It should make representation to the

government body about its costs, and the rate would be agreed upon between the newspaper and the public.

I am not saying whether that is the right thing to do or not. Frankly I do not think it is. But if it were done, would it in any way interfere with this concept of freedom of the press?

Mr. Farrell: None whatsoever. In my own opinion, it has not got anything to do with the freedom of the press at all.

If I were to ask an increase, I would be happy to submit it to any board. It probably would say to me, "I think you should charge more". I would say, "Well I would like to, but I do not think I can get away with it."

Senator Everett: One last question, Mr. Farrell. Page 5, Item 6(a), the question "In terms of practical application to your own operations, what do you see as the major technological changes likely to occur in the next decade?"

Can you tell me if, in your judgment, the development of computer applications, offset and facsimile printing in the next few years in any way is going to make it more possible or financially possible for new major newspapers to start in a community like Windsor in competition to the Windsor Star?

Mr. Farrell: I think so; yes. We have a facsimile operation, the only one of its kind in Canada, about 30 miles away from us at the moment, the Wallaceburg News. It is a small paper. It has just started a daily paper from a weekly paper.

In answer to your question, I think yes; I would say so.

Senator Everett: Thank you, Mr. Farrell. You are a most interesting witness.

The Chairman: Senator Hays.

Senator Hays: Mr. Farrell, Senator Everett was going to ask you to define freedom of responsible press, but you have pretty well taken care of that. I am wondering how you treat, or whether your newspaper as an independent paper has its own code of ethics within your own organization. Is this information given to all your reporters and that sort of thing?

Mr. Farrell: I am most fortunate. I only have been publisher since January. There was a magnificent tradition in the Windsor

Star of reporting the news. I can say only the other day that we were involved in a hassel over CKLW, the CBC and John Basset of Toronto. The instructions I gave to the reporter were "Play it straight, but if you lean any way, lean on the other side. They are involved."

Senator Hays: If, Mr. Farrell, you had misquoted Senator Paul Martin—which I know probably would not happen—and he became very annoyed about it and telephoned...

The Chairman: Which would happen.

Senator Hays: If he were pretty provoked and he wanted it corrected and this had been a headline of yours which was not too kind to him, how would you have treated that if it were an error on your part?

Mr. Farrell: We would publish a correction in the same way, in the same space, as the story has appeared.

We had an interesting example of this the other day. We have somebody who is very opinionated and he always has complaints about any story on him. He complained. We checked the story. We were satisfied our story was fair. I said, "We will not make a correction because we consider our story correct. However, you send us a letter in print and we will publish it."

He sent the letter. We printed it. Two days ago, we had somebody on the other side of the fence contradicting him and taking our side. That is how it happens.

Senator Hays: You said, Mr. Farrell, that you use the same amount of space on the same page to make the correction?

Mr. Farrell: Yes.

Senator Hays: Is this usual insofar as other newspapers are concerned?

Mr. Farrell: I think so. You notice the Globe and Mail, on Page 2, which I think is more prominent than some of the stories they run, they have a large box and they say "Our mistake."

Senator Hays: You feel that this is good newspaper reporting? Is that the way that all newspapers should handle this?

Mr. Farrell: Absolutely.

Senator Hays: On page 36, I am thinking of my own local newspaper, and a man was sued for \$170,000 for a debt and by the same name.

The Chairman: By your name?

Senator Hays: No. He phoned up and he was pretty provoked on this. This was in the second section of the page and the publisher was quite disturbed about it. On Page 22, he said that this chap was a different person.

What is your thinking about reporting—say a man is charged with rape?

Mr. Farrell: Yes.

Senator Hays: And this is treated in a front page story if there are no other stories around. Then he is found innocent. How do you handle that?

The Chairman: Mr. Hull.

Mr. Hull: In the first place, anyone charged with rape or indecent assault or anything like that, we do not use their name until they are convicted. This is the practice. It is the same with drunk drivers and people like that. We do not use anything at all until they are convicted.

Senator Hays: Is it a general practice in all newspapers?

Mr. Hull: I do not think so. I could not tell you.

Senator Hays: Do you think it should be the practice of all newspapers?

Mr. Hull: The mere fact we do it; yes. Regardless of how strongly he is proven innocent, you have convicted him to a degree by an association with the crime.

Senator Hays: I would like to ask another question on a different subject.

Mr. Farrell, agriculture is—well, the fact that I am a poor farmer, I still think it is a great culture, the greatest culture in the world. They are suffering a great deal today. I am wondering if your newspaper, and I am sure you must feel the same way, how much space are you devoting to agriculture? As far as staff in your newspaper, how do you staff it agriculture-wise?

Mr. Farrell: I would say we are probably not handling enough of it. However, we did send our most senior reporter out west and we ran a good, long three-piece story on the opp-ed page on the wheat situation out west. I

would say it is an area where we could and should do better.

Senator Hays: There is quite a gap now because of the very difficult time the agricultural press has had and the information is not available today. Would your feeling be that newspapers that are servicing quite large agricultural areas, which the Windsor Star is, should be doing more insofar as agriculture is concerned?

Mr. Farrell: In our own area, I think we cover our own agriculture, which is market gardening mostly and small mixed farming.

The Chairman: Excuse me. I think Mr. Hull wants to say something on this.

Mr. Hull: I am going to contradict the publisher to a degree.

The Chairman: Are you sure you want to say anything?

Mr. Hull: Along with the Senator before, when we were talking about experts in the field—we have three men whom I consider experts on farming. We staff all growers' associations meetings. We have one man who is out quite frequently covering various agriculture meetings of one type or another.

I agree possibly we do not do it to the extent we should, but I think we do it to a greater degree than the majority of other papers and it is part of our program of staffing important areas—labour, education, agriculture, whatever it is. We have a man there.

Senator Hays: Do you set aside a certain percentage of your news columns? Do you keep track of the amount?

Mr. Hull: Yes. We have 16 solid columns every day devoted to Kent and Lambton Counties, and a large percentage of this would be farm news. We have another eight columns, at least, every day devoted to Essex County other than Windsor itself—Leamington, Harrow and other farm areas. It is not a large percentage, but a sufficient percentage is dedicated to farming.

We have had main stories on Page 1 devoted to it. We play the newspapers by ear so far as this goes, not by edition. In other words, in our first edition, which primarily goes to these farm areas, we would line some accounts by the departments in Toronto which would not necessarily be on Page 1 in our final edition, which is strictly our City. We would use it in the inside somewhere.

Senator Hays: Have you found that the introduction of TV hurt insofar as your advertising was concerned or has it leveled off?

Mr. Hull: I would not say it hurt us; no.

Senator Hays: It did not hurt?

Mr. Hull: Not in any great degree anyway; no.

Mr. Farrell: I would say the automotive pact has had a very happy effect on Windsor from 1955 to 1960. It was a depressed area. I think that if there were no radio and television, there would be space in our market for other newspapers.

Mr. Hull: I was wrong there on the degree. I was thinking more of locally. It has hurt us from the national advertising point of view for the simple reason there is so much exposure to television and radio in our area. We have six Detroit TV stations and God knows how many radio—40 or 50 in that area. This market is looked at by national advertising.

The Chairman: Could I come off advertising for a moment? There is a statement in your brief which intrigues me. I would like to ask you about it, Mr. Farrell.

It is number 11 on Page 8: "Is there an 'establishment' which controls the mass media in Canada, or any one of the media?" The answer is one word, "Debatable."

I am wondering if you would discuss that answer for us, perhaps indicating if you will the pros, and presumably there are both pros and cons in a debate. What reasons are there for thinking that there is an establishment? Who is in that establishment?

Conversely, what reasons are there for thinking there is not an establishment?

Mr. Farrell: I think when you have heard all of the opinions of the newspapers, you will see that it represents a very different point of view in the sense that it is debatable. The very tendency of owning a newspaper is a fairly healthy, fairly well paid one, so one tends to associate with what is known as the establishment.

Therefore, it is the establishment point of view. It is apt to permeate one's point of view.

The Chairman: Well, we had a quotation yesterday which someone here used from an article which appeared in the Forum.

Desmond Morton said that it did not matter who owned the paper because the owners are all the same kind of people, wealthy businessmen, and what does it matter whether it belongs to this chain or that chain—I forget the exact quotation. You would then agree with Mr. Morton?

Mr. Farrell: I would not. I do not consider myself—I think I can give you an example. I am the only publisher who has been followed by both the RCMP and the Secret Police of Russia. Now, I do not consider that the establishment.

The Chairman: Senator McElman.

Senator McElman: Could I refer to Senator Hay's question.

The Chairman: Certainly.

Senator McElman: He spoke of the situation where an individual may be maligned or incorrectly reported, etcetera. I would like to raise the case of a community and the treatment that would be given it.

I think of one specific instance where this happened last Hallowe'en. The local newspaper in the community concerned carried a front page banner headline together with photographs of how people—I believe they were described as sadists—put razor blades into apples and the like and passed them to children.

The story went further. It isolated entirely three specific sections of the community where these apples had been handed out to youngsters.

It again referred to the people as pretty dreadful, in quite descriptive language. This story began, according to my recollection, and was fed to the CP wire and, presumably, went out to Canada in the overall coverage of Hallowe'en activities.

Two or three days later, the police authorities found this was a hoax. The children themselves had placed these razor blades in the apples. These children were the ones who reported having been given the apples.

Now in this instance, the community at large and specific sections of it had been described as sadistic.

The story which reported the fact of the hoax was printed somewhere around 12 or 14, about a two-inch story rather thoroughly buried. I do not imagine it was of sufficient interest to hit the CP wire.

Now, would this be considered fair and honest news gathering, where a community is maligned?

Mr. Farrell: No. I do not think it is fair. I am not familiar with the case. I think this is one of the reasons I support a local press council. God knows, we all make mistakes. I think the great thing about newspapers is that we make our mistakes in the open; most other people have the opportunity of putting them underneath the table.

Mr. Hull: We had the same experience in Windsor one Hallowe'en. We gave reasonable play to the story in our main local page. We did not line it as such. It was the first time we have had this experience. There was no indication that it was a hoax. There was nothing to contradict the story.

Personally, I am quite sure that I would have considered almost a bigger story the fact it was a hoax. Just to answer your question, I am sure that we would have given possibly bigger play because we appreciated the image of the City and we want to correct having done it in the first place.

The Chairman: Senator Everett.

Senator Everett: You have commented, Mr. Farrell, vigorously on what you feel is wrong with chain ownership, concentration, but you also have stated that the succession duties rules should be more liberal in order to permit the succession of a newspaper or anything else, I gather. With that I agree.

One of the answers to that would be to envisage independent newspapers that are publicly owned. Can you tell me if there is anything wrong with that, if that would interfere in any way with the so-called freedom of the press?

Mr. Farrell: I do not believe so. I have an old saying that there is only one thing worse than the private ownership of the press, and that is the public ownership of the press.

Senator Everett: Why is that?

Mr. Farrell: It is subject to political pressure. I think it is basic. I am, I think I should be, as independent as I can. Actually today, with the CBC and television and radio, there is a fair amount of government views in that sense of the word.

The Chairman: Senator Bourque, do you have a question?

Senator Bourque: No; no.

The Chairman: Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman.

Mr. Hull, Senator Hays asked you about the effect of television on your advertising. I would like to ask you about whether the advent of television has affected written journalism at all.

Mr. Hull: Yes, to a degree. We realize that it is impossible to compete with radio and television when it comes to reporting spot news, as such.

Possibly, it is best explained that to my knowledge or my memory, I think the last extra, as such, we published would be the death of King George VI. That was quite awhile ago. This was when you called all your people back and put out a paper.

I can recall that when President Kennedy was assassinated, it happened at a perfect time for us. We were going to press anyway. We could put an extra on that.

We appreciate the fact that it is just tough competition when it comes to the presentation of spot news, but when it comes to the full story and the factual story, I do not think they can compete against us.

Mr. Fortier: We heard a view expressed that with the advent of television, written journalism had to become more exact. Could you comment on that?

Mr. Hull: Well, we have to be exact in our local news coverage because if we are not exact, neither are the radio stations for the simple reason—and they admit, all except one—that if we do not publish, they are not going to have a newscast. We catch them all the time.

For instance, we made an error regarding a local Board of Education deciding to build a \$500,000 addition to the high school. For some reason or other, the reporter had the wrong high school. Four radio stations had the wrong high school for that day and for 24 hours later.

Accuracy, of course, always has been our main point. We strive for it.

Mr. Fortier: Yes.

Mr. Hull: Fortunately, Senator Hays, we do not have many experiences having to run these corrections, very infrequently I am happy to say.

We have to supply more information possibly than we used to because we have to appreciate the fact that the general public already has the story. It is a spot news story.

Mr. Fortier: Which already has been seen.

Mr. Hull: Well, if you go to a sports event, you enjoy reading the story more after you have been there than if you had not been there.

Mr. Fortier: As a lawyer I was very interested to hear about this self-policing obligation which you have at the Windsor Star. Could you tell us what offences are included in this prohibition to publish names of the accused?

Mr. Hull: Well, as a lawyer, first of all you will be interested to know that in a period of three weeks, the 11 top editorial people had sessions with the three top members of the Department of Law at the University of Windsor. It almost was the start of the community press council because they wasted no words in telling us what they thought of some of our coverage.

As to criminal offences, I mentioned rape, indecent assault, cases of any kind involving exposure or infants, shoplifters.

Mr. Fortier: It goes beyond sexual offences?

Mr. Hull: Yes; indeed, yes. I had a session with the four provincial judges. In other words, they were the four judges who used to be in our magistrates court. We were covering them fairly fully and we wondered at the time whether it was proper or not.

The four of them agreed that the publication of names in almost anything served as a deterrent in a lot of cases. As they put it, we run drunk drivers and careless drivers. They said, "There are many men in Windsor who set out at night to go to a party who take cabs. They do not drive, not that they are afraid of a fine or of going to jail, but they are afraid of being in the Windsor Star." They said, "If you stop one man from driving his car and killing somebody, it is worthwhile."

They wanted us to publish everything.

If the publisher had not been so busy getting the brief together, we would have had the section doing a complete survey of police coverage.

Now, we do not print first offenders and shoplifters because, God knows what happens

to people. We have some of our finest people lifting something worth 50 cents with \$50 in their pocket. We do not publish those.

The Chairman: Senator Macdonald.

Senator Macdonald: Pardon me. Do you publish if someone goes in off the street and picks up a toothbrush?

Mr. Hull: Not if he has no record. If he is sent to jail, if he is a many offender, probably.

Mr. Fortier: There is a prohibition in the law regarding first offenders and young people.

Mr. Hull: These juveniles I am talking about, if they appear in Magistrates Court.

Mr. Fortier: If they have been referred.

Mr. Hull: Our policy was if someone showed sufficient interest in them to request that we not publish their names—the father, mother, or somebody phoned up and came and pleaded with us and showed enough interest—and they were first offenders, then we would leave them out.

I am sure that when we do a study on our police court coverage, there will be further eliminations on those.

Mr. Fortier: Would you suggest this be made a policy for all newspapers in Canada?

Mr. Hull: I would think so. When it comes to more serious crimes like rape and some of those, yes.

Mr. Fortier: As you know, in the so-called omnibus bill, which has become more famous for other facets thereof, a newspaper is not allowed now to publish accounts of preliminary inquiries. It is interesting to hear that you had preceded the spirit behind this amendment to the Criminal Code.

Mr. Hull: This comes in our definition of freedom of the press. I know other editors, publishers scream about restricting news of this kind. We do not. I did not get a bit excited about not being able to publish preliminary hearing news because I agreed that this is one way of affecting the man's trial.

Either way we do have the right to publish it after he has been convicted or found innocent, if we want. We feel we have sufficient.

Mr. Farrell: Also we do not publish what we consider to be invasion of privacy unless

the individual is in the public eye. In cases in which John Smith gets a divorce from Mary Smith, we consider that to be their own private business.

Mr. Fortier: Is there a service through the newspaper by which you would accept a paid legal notice of that?

Mr. Farrell: Oh, certainly. I think advertising columns have to be free. In fact we have classified space for divorces. If anybody wants to announce their divorce, they can.

Mr. Fortier: Like a birth or death; would that be in the same section?

The Chairman: I think, Senators, that our next witnesses soon will be here. I do not want to terminate without giving the Senators one final opportunity to ask any additional questions they may have.

Senator Hays.

Senator Hays: May I just follow this up. I think that this is most interesting this afternoon to learn that you do have this code of ethics within your own organization. I think it would be well if we had it across Canada.

How would you go about saying "This should not be printed", regardless of what kind of paper it is—whether weekly or so on?

Mr. Farrell: I cannot think we can say we are right in those borderline areas. I think if other newspapers like the way we do it, they can copy us. If they do not, I am not saying we are right or they are wrong. It is just something we ourselves happen to believe.

Senator Hays: If you feel this way, is this the persecution of an individual if it is in another newspaper?

Mr. Farrell: In some cases I think it is; yes.

Senator Hays: Is this freedom to persecute?

Mr. Farrell: Yes. The press has the freedom to persecute. It is only public opinion that will keep us on the straight and narrow.

Senator Hays: Thank you.

The Chairman: Senator McElman.

Senator McElman: One short question. You made the statement newspapers are here to stay. In what form then, based on that?

I would like to go ahead. Do you conduct a measurement of any nature of your readers to determine whether your newspaper still is

reaching the youth or the on-coming generation? In what proportion have you been reaching them compared to the past; is it diminishing or increasing?

Mr. Farrell: We only have just started this. We had a survey done in 1963, we are doing the same questions on the same basis for 1969. We intend to keep this up indefinitely. We intend to have an accurate sample of our audience, as accurate as we can. We are taking a sample of 7,500 in Windsor. The statisticians say this is a good sample of a community of our size if it is a strict random sample.

It is highly organized and we intend to keep it up, so long as I am there anyway.

Senator McElman: Are you reaching the younger generation?

Mr. Farrell: Not as well as we should; no. I hardly can talk of this as we only have the first wave and I only can make generalizations. We notice that the interest seems to go from a sort of high from about 20 to 25 years old, oddly enough.

It seems to go down in the age group 25 to 35; and then from 35 on, it seems to pick up again. Now, I emphasize "it seems". We will be happy to give you our report when we have the sample.

The Chairman: When will that be?

Mr. Farrell: We should be done by Spring. We are on the second wave now.

The Chairman: Well, we will be most interested; thank you.

Senator McElman: Would it be fair to suggest in the light of your measurement, if it is indicated that you are not reaching the new generation and you must look to the future and say, save your paper's circulation, that although the newspaper is here to stay, it could take a quite different form or format perhaps?

Mr. Farrell: Yes. It is changing slowly. We changed our front page the other day. Literally all hell broke loose. I never had such insulting language in my entire life because we changed the format of the paper. It was incredible. I would have not have believed it if it had not happened to me.

Mr. Hull: I just want to add that it was most encouraging that all of the comments were "What are you doing to our paper".

Mr. Fortier: Mr. Farrell, you have publicly objected in recent weeks to the sale of CKLW to Maclean-Hunter and the Toronto Telegram. I think it would be interesting and certainly of much benefit to the committee if we could hear your reasons for objecting to that sale in order that we might have it on the record.

Mr. Farrell: I can pull out the summary of the brief. I have it here if you will wait a second. I will just see if I can find it here.

Yes; here we are.

Mr. Fortier: I am sure you recall the punch words.

Mr. Farrell: I have switched off. Now, in this context, it must be realized that this station has a potential audience of 6,500,000 Americans, a third of the population of Canada, as we said in presenting our brief.

I said quite seriously it should be the Department of External Affairs that should be fighting this case and not us. Now, these are the contentions contained in our brief to the C.R.T.C.: (a) "It is in the national interest, both internally and externally, that this station be acquired by the CBC"; (b), that there be a prompt re-examination of the contention that the CBC cannot operate CKLW without suffering a large operating loss; (c), the Government of Canada in the national interest should insist that the CBC purchase Station CKLW and provide the necessary funds.

Failing this, it should be a prerequisite for the granting of this licence that the Toronto Telegram and Maclean-Hunter interests negotiate the precise terms upon which the CBC can take over the station at a later date.

An offer to do this has already been publicly made by one of the applicants.

Now, we stated in the hearing that if they granted a licence to the Maclean-Hunter Toronto Telegram interests, we would do everything in our power to help them providing they maintain a Canadian identity. If they did not do so, we would be as—things would be as awkward as possible. That is the proposition.

Mr. Fortier: Would you have made the same objection of principle if you had been operating, let us say, in Sudbury?

Mr. Farrell: No. Windsor is a very unique community.

Mr. Fortier: It is because of the uniqueness of the community that you made this opposition?

Mr. Farrell: Yes.

Mr. Fortier: I wonder if Mr. Farrell would care to file a copy of the opposition which was presented before the CRTC with the committee. I think it would be very useful to the operation of the committee.

The Chairman: Senator Beaubien.

Senator Beaubien: Mr. Farrell, did you say that CKLW could not be operated except at a very heavy loss?

Mr. Farrell: So the CBC claims.

Senator Beaubien: Well, the CBC certainly knows something about operating at a heavy loss. Why would you think that the CBC would not be right, especially if they bought it?

Mr. Farrell: Well, if a private operator is willing to pay \$5 million for a station, as we say in our brief, it is an affront to conscience to say that it cannot be operated.

Senator Beaubien: At a profit?

Mr. Farrell: Well, somewhere near the break-even point, at least.

Senator Beaubien: If you look at the statement of the CBC, you will see they can operate a lot of stations at a great big loss.

The Chairman: Senator Hays.

Senator Hays: Mr. Farrell, I am sure the committee would be very interested in your code of ethics, if you have a written code of ethics.

Mr. Farrell: No; we have not. The ASNE has a very good code of ethics. We would be happy to edit that because there are a couple of spots in there that we do not entirely agree with, but it is a very good statement.

The Chairman: Would you edit it to your satisfaction and send it in to us?

Mr. Farrell: Certainly.

The Chairman: Well, Honourable Senators, on behalf of the committee, I want to thank Mr. Farrell and Mr. Hull. I think it has been a most worthwhile presentation and we are thoroughly grateful to you for being here.

We will adjourn for exactly ten minutes. We will meet in exactly ten minutes to receive the brief from the St. John's Evening Telegram.

The Chairman: Honourable Senators, if I might call the hearing back into session, please.

The second brief from a daily newspaper is the one we are going to talk about now. It is from the St. John's Evening Telegram. Sitting on my immediate right is the President of the Company, Mr. Hubert C. Herder. On my immediate left is the Vice President and General Manager, Mr. Stephen P. Herder. On the extreme left is Michael Harrington, who has been the editor of the Telegram since 1959.

Gentlemen, we received your brief as we requested three weeks in advance. We are grateful; thank you. It has been circulated to the members of the committee. They have studied its contents so I think we can take the brief as read.

If you wish now to make any sort of preliminary statement, you may. You may summarize the brief, expand on it, explain it or, indeed, talk about anything else you may wish for as much as 15 minutes, following which we will have the question period.

If you want to proceed with questions right away, we will do that.

Mr. Hubert C. Herder: President, St. John's Evening Telegram, Newfoundland.

Mr. Herder: First of all, gentlemen, I would like to say if the brief is a little ragged, it is because it was done in rather a hurry. On top of receiving your invitation to submit one, we were in the midst of a leadership campaign at home. Believe me, it is a lonely feeling because nobody would talk to me until it was all over.

I was hooked because the letter had been addressed to me. We enjoyed doing it; it is the first time we ever have done it—and possibly the first time we ever have put on paper what we think we think of ourselves.

There are a few little errors in it. One I think I should draw attention to is that we were not trying to be colourful when we said "We h-u-e to a certain line." I am sorry a few of them got through.

However, I cannot say we are entirely happy to be here only because I personally

am rather nervous. I thought I had passed that age, but it is not so.

We will be only too happy to answer any questions that we possibly can. Thank you.

The Chairman: Well, there certainly is no reason for you to be nervous and there is a reason for us to apologize. Someone had to be here early on, and I quite agree the people who will be coming in February, March, and later will be much more prepared as they will have more time to work on their briefs. I do not think you should apologize at all. We appreciate your being able to cooperate and do it quickly.

I think, Mr. Herder, our first questions are from Senator John Macdonald.

Senator Macdonald: First of all I, too, must express my disagreement right away with your remarks in that I do not think your brief is ragged at all. I think it is very complete. We were glad that you were able to give us such a fine brief on such short notice. Now that I have those preliminary remarks out of the way, we can get together.

I take it from your brief that you are publishing a provincial paper in Newfoundland, that your coverage is such that I think you mentioned 1,200 communities that you get into a part from the City of St. John's, so you do, I would think, speak for the Province of Newfoundland pretty well.

Now, I notice you mentioned something about the freedom of the press. Would you care to enlarge upon what you consider to be the freedom of the press, especially in Newfoundland?

Mr. H. C. Herder: Yes. Of course it is an expression that I do not think we use a great deal around the office. I suppose it is there and it is what we mean.

I would say we feel we are able to print what we want to within the bounds of good taste as we see them, and within the laws of the land. That is my own opinion. I do not know whether you care to try another editor, whether he will be more vocal than I.

The Chairman: Do you want to say anything on that, Mr. Harrington?

Mr. Michael Harrington: Editor, St. John's Evening Telegram.

Mr. Harrington: Well, I am substantially in agreement with that. As Mr. Herder says, we do not sit down every day when we go to the

office to talk about the freedom of the press and just what we want to do about it today.

I think so far as we are concerned that we do the best we can to put out a reasonably good newspaper, as factual as possible, as truthful as possible, to cover events as they occur without trying to colour them or without undue bias. I think, on the whole, we do a reasonably good job in that area. More than that I cannot say.

Senator Macdonald: Are you satisfied there are no pressures from any source? I mean pressure from advertisers or pressure groups of any kind on you for what you should be publishing or not publishing?

Mr. H. C. Herder: Oh, yes; of course there have been and will be again, no doubt. There is surprisingly little from advertisers. We are a small community, reasonably small. We know most of them. I think they realize that it would be a waste of time.

Senator Macdonald: You mentioned something about publishing that which is in good taste. If I recall, there was some talk of a law in Newfoundland. I do not know if it ever went through. It was about publishing proceedings in divorce cases, for example. Did that ever go through?

Mr. Harrington: Not in connection with divorce cases. The legislation never was brought in. It was hinted at, but it died in the summer somewhere along the line.

The Chairman: Some of the people at the back are straining to hear you. They want to know what you are saying.

Senator Macdonald: I am sure they do.

The Chairman: Well, they indicate they do.

Senator Macdonald: Now, again you mention something about monopoly. Now there is another daily paper, as I understand it, and a weekly being published there.

Mr. Harrington: Morning papers.

Senator Macdonald: You are an afternoon paper?

Mr. Harrington: That is right.

Senator Macdonald: Would you consider yourselves as a monopoly with your great circulation?

Mr. H. C. Herder: Not a monopoly, but we are happy that the situation is as it is.

Senator Macdonald: You do not own any interests in radio or TV stations.

Mr. H. C. Herder: No.

Senator Macdonald: You mentioned the weekly owned an interest in some other station. What weekly is that, by the way?

Mr. Harrington: It is the Newfoundland Herald and part of the structure of Newfoundland Station CJON.

There was a time when you might have considered that the Telegram was a monopoly, long before the days of television and radio. We have two television stations in St. John's now and several radio stations. There is no monopoly insofar as the control on news or opinion or any of that.

Senator Macdonald: You people use the Canadian Press news service?

Mr. Harrington: Yes, with others.

Senator Macdonald: As I recall, when they were speaking to us they mentioned the fact that you give them news and get news back from them and this kind of stuff.

I was wondering about the accuracy; for example, you put news on the CP Wire from Newfoundland—say from Gander where somebody phoned it in or you have a local office. Now, do you check as to the accuracy of that news item before you send it on?

Mr. Stephen P. Herder: Vice President and General Manager, St. John's Evening Telegram.

Mr. S. Herder: Perhaps I can answer that.

The Canadian Press has a fully-staffed bureau in Newfoundland which works out of our news room and that man is responsible to his Atlantic Bureau—I guest that is the proper name—in Halifax. He reports directly, of course. Everything that we write is available to him, most of the time before we publish it.

Senator Bourque: He just picks out what he wants, that sort of thing?

Mr. S. Herder: Yes, unfortunately. Sometimes there are things on what is our area regional wire, as I mentioned, before we publish the same material ourselves. But this is part of the cooperative system and we have no quarrel with it.

Senator Macdonald: I was interested in one part of your brief, when they were asking about starting a newspaper or what is called the large newspapers absorbing the smaller ones.

You mention that you brought the concentration justified because it is the only way to keep the smaller papers from going under and thereby, maintains a second or even third voice in the community.

Do you care to elaborate on that?

Mr. S. Herder: I think, as a newspaper man, I would hate to see a newspaper "go under".

Senator Macdonald: I am quoting from your brief.

Mr. S. Herder: Yes. Did we say that; it got a little out of whack when we were putting it together.

The Chairman: Do you want to point out where it is?

Senator Macdonald: Yes.

Mr. H. C. Herder: I might point out that this brief was made up and composed of the thoughts of a number of people in our office and rather than edit and try and make one paragraph out of five submissions, we decided to lump and put them in there. As I say, the mere fact they are there means we must go along with them, but they are not necessarily our own views as individuals.

Senator Macdonald: Under the thing of ownership in Paragraph 5 ..

Mr. S. Herder: The reference only is intended to mean—and perhaps I am interpreting somebody else's comments because as Hubert says, three or four or five of us had a hand in it and there is some overlapping admittedly. We merely mean it is better for a newspaper to exist as part of a conglomerate, as it were, than not to exist at all.

That is all that we mean by it really. It is better to have three voices in a community than, perhaps, one.

Senator Macdonald: If they are all owned by the same person, would it make any difference?

Mr. S. Herder: It would depend entirely on what control was exercised by ownership on the content of the newspaper.

Senator Macdonald: In that same item about ownership, you mention the fact that you feel the advertising should be available to anyone. I was wondering if you have any views on advertising, for example, tobacco? Do you accept that?

Mr. H. C. Herder: Yes; we do. We have talked about it.

Senator Macdonald: Apart from pipe tobacco.

Mr. H. C. Herder: We have talked about it, but we feel that like liquor—I think you also could go to motor cars being bad for us, if you want to stretch a long bow. They are pretty dangerous on the highway.

We feel, if they are allowed to be sold, why not allow them to advertise? It is unfortunate, but we do not get a great deal of it.

Senator Macdonald: Do you have any standard by which you judge advertising, like misleading advertising? Do you look at it before you publish it?

Mr. H. C. Herder: Yes; not always with great success—according to the Better Business Bureau, but we try to delete anything that is misleading or not correct.

Senator Macdonald: I notice you mention something about the increase in postal rates affecting you. Formerly, a lot of your circulation was by mail. Would you care to elaborate on that?

Mr. H. C. Herder: Well, it still is. As you know, the percentage increase was a bit of a crack, but we will live with it. The postal service is not very good, and pretty slow. It is rather like fruit: If you leave it around too long, it rather spoils or becomes out-dated.

For instance, from St. John's to Cornerbrook: We publish on Fridays. It is in the Post Office the Friday afternoon. Cornerbrook is by rail 400 miles at the most. The paper is delivered to the people Monday afternoon, if we are lucky.

Senator Macdonald: Just as a matter of interest, since the train has stopped, how do they carry the mail?

Mr. H. C. Herder: The freight train still runs. We use a truck in some cases.

Senator Bourque: The freight train still runs?

Mr. H. C. Herder: Yes.

Senator Macdonald: I see you mention the figure of \$65,000 more.

Mr. H. C. Herder: This is what we figured the mail we put into the Post Office in the time of the new rates; this is what it would cost us.

But let me finish. We put another nickel on our papers which just about evens out. So far we are getting away with it, if that is the word to use.

The Chairman: When did you do that?

Mr. H. C. Herder: Approximately two months ago.

The Chairman: You held your circulation?

Mr. H. C. Herder: Pretty well. We lost a bit. There are a lot of Newfoundlanders who wander from home and a fair amount of those in the United States and Canada, some of those have dropped because the rate has been going up. At the moment, we are running behind about 2,000 copies.

The Chairman: Which made it worthwhile.

Senator Macdonald: You put the whole increase on the subscribers; did you increase your advertising rates?

Mr. H. C. Herder: No. We were selling for 15 on the Friday edition and we put it to 20.

Senator Macdonald: Just on weekends?

Mr. H. C. Herder: Just the weekend; Monday through Thursday remains at ten cents.

Senator Macdonald: Mr. Herder, I am trying to see what item it would be again, to revert to your section on freedom of the press. It is Clause 10. It would seem to me if you look at that last paragraph, Section 10...

The Chairman: The last paragraph on the whole section?

Senator Macdonald: Trying to get my page; after you come to the ownership section, the pages are not numbered. It starts with "It is often claimed that the freedom of the press is no more than the freedom of the individual and that 'the right of the journalist to comment is no higher than the right of the man in the street'."

You go on from there. You seem to disagree with the point of view and to say the right of

the journalist is higher than the right of the man on the street. It is "justified in claiming a wider latitude and more freedom than a less informed average citizen."

Do you find that part? Would you care to comment on that?

Mr. Harrington: Yes. I would think that a working journalist, whether he is a reporter or editor, is on top of things—at least he is supposed to be; he has to be.

He has to keep up with the events that are going on, in touch with people. He does have, I think, a little more knowledge and understanding of what goes on about him than the average person. To say that the right of the journalist to comment is a bit higher than the regular man on the street, well, I think that is the case truly.

Senator Macdonald: Would you make a distinction between journalists? Some reporters are better educated or have a wider background of knowledge. Do you give him more freedom than you would a reporter who is less informed? I do not want to embarrass you.

Mr. S. Herder: Yes; if the qualification were known to us.

Senator Macdonald: It is a new concept to me, of freedom of the press. I understood, if I may digress for a moment, that freedom of the press was the same for all average citizens, the freedom of speech. You are saying that the freedom of the press is higher than the freedom of the average individual. The reporter has a wider freedom because he is better informed than somebody else.

I am interested in how you justify that.

The Chairman: Mr. Herder.

Mr. S. Herder: That is a tough one to comment on really. The point that I was about to make is I think when a person has qualifications in a field, not necessarily making him an expert, but if he is well qualified in an area, he surely would be entitled to some latitude in his remarks.

He certainly would be in our newspaper, if we were convinced of his qualification. For example, I would certainly rather get somebody to write about any subject you would care to name who had qualifications to write on that subject than some one who did not. It is as simple as that.

Senator Macdonald: That is not the point.

Mr. S. Herder: I am not trying to evade the...

Senator Macdonald: Say the average citizen wants to make a statement on something you say. You say, "Our reporter is better informed so..."

Mr. S. Herder: Not at all. Any citizen has the right, as they do on all newspapers, I believe, to comment with complete latitude on any subject that appeals to them, within the normal bounds of libel.

Senator Macdonald: What about the ordinary citizen who writes a letter to your paper that is wholly disagreeing with something that your reporter had said?

Mr. S. Herder: We are inclined to give that more prominence than any other letters we may have for that day. I think most newspapers are over-sensitive on that.

Mr. Harrington: We give wide freedom to letters to the editor and the letters that dispute our own views are given that much more prominence.

Mr. H. C. Herder: We like it because when the paper is being read—and we do not think we are by any means the last port of call nor are we always right, unfortunately.

Senator Macdonald: It might be I am misunderstanding you, but as a matter of principle, I do not see how you justify and claim a wider latitude and more freedom for a reporter than for the less-informed person.

I agree with you that these open-line radio programs are faced with the problem of an anonymous person going in and, unless they cut him off pretty quickly, he can say some strange things.

Mr. S. Herder: It is difficult to get the right sort of comment. It is something I would rather think about.

The Chairman: We do not want to chew the thing to death. Should we press on to other things?

Senator Macdonald: I would let it go at that.

Mr. H. C. Herder: I do not think—that sounds like an awfully familiar phrase. I am sorry.

Mr. Fortier: It does not happen too often in the newspapers.

The Chairman: That usually is you who says things like that, Senator Macdonald.

Senator Macdonald: Is your paper a union paper? Is there a craft union or other types of unions?

Mr. H. C. Herder: Yes; one craft union, IPP, International Print and Pressmen.

Senator Macdonald: The American Guild is not in there?

Mr. H. C. Herder: No.

Senator Macdonald: Have they tried, to your knowledge?

Mr. H. C. Herder: Not to my knowledge.

Senator Macdonald: There is something one of the other people here today said. I was interested in the publishing of police court news. They use great discretion in publishing the names of any person apart from the legal obligation—they try not to publish that person's name, I assume unless it was a very serious case. Have you any guidelines in regard to that?

Mr. S. Herder: We were here before the Windsor Star's bulletin was offered this afternoon. We like very much what Mr. Hull and Mr. Farrell had to say on that. We do, indeed, do much the same thing ourselves.

In our case, this is a policy which is under rather constant revision. We do not publish first offenders, drunks and that sort of thing. On the shoplifting, we eventually came to a limit as to what was stolen. Now we are not using that.

In other words, if Mrs. Smith stole \$50, her name did not get in the papers. Mrs. Jones, her neighbour stole \$250, she did get in the paper.

Well, we went to our lawyer to try and find out what we were doing. We eventually stopped publishing shoplifting at all. We rather liked the description of ethics that is given by the Windsor Star, the one given earlier.

Senator Macdonald: Just one other matter. As I take it now, the Managing Editor is the one who actually gets these records in the paper; am I correct in that?

Mr. S. Herder: Yes; that is correct, and four news editors.

Senator Macdonald: Then it goes down the line that way?

Mr. S. Herder: That is right.

Senator Macdonald: Apart from what goes into the papers, who is responsible for the headlines and the little headlines, perhaps over a column?

Mr. S. Herder: Well, a variety of people on the news desk—we all call them different things, copy editors, some call them caption writers. We just refer to them as deskmen actually.

Senator Macdonald: What I am trying to get at is this: Now sometimes the headline tells practically an entirely different story from if you read the whole story or they pull just something, a few words which are dramatic. Then you read the story and perhaps you feel that you are let down. The story did not live up to your expectation.

I was wondering if there is anyone, any one person on the paper who is responsible, if it came down to it, for that headline—not to make it but to say what goes on that story.

Mr. S. Herder: Not on our newspaper, no.

Mr. Harrington: If that occurs, it is an error of judgment and it certainly does occur occasionally. You know, they seize anything to try and get something into your headlines to attract your reader to the story, to try to give an idea what it is all about. In many cases, the person who is doing that and putting the head on may be in a hurry, or it may be they do not read diligently enough and they just come up with something that strikes their eye. That goes on unfortunately. It misrepresents the story, presents the wrong picture, and could be faulty on that account.

Senator Macdonald: I was wondering if before the papers are published, do they come back to the Managing Editor or somebody who okays the whole thing before it goes to press?

Mr. Harrington: Yes, the heads are. If they are not related to the story, unfortunately, they often are read on a proof separately.

Senator Macdonald: I understood he would not read all the stories.

Mr. H. C. Herder: We have our share of faults, where the headline definitely is misleading—not by design.

Senator Macdonald: I am very grateful to these men, but perhaps somebody else would like to say something.

Mr. H. C. Herder: You are a Cape Bretoner; you are on our side.

Senator Macdonald: That is true.

The Chairman: Is that automatic, Senator?

Senator Macdonald: Yes.

The Chairman: Senator Hays.

Senator Hays: Mr. Herder, I understood that in Newfoundland only 33½ percent of the householders receive a daily newspaper. Is this increasing or decreasing? Was it caused by television or other communications?

Mr. H. C. Herder: Actually, Senator, our circulation has gone up in the 10-year period, particularly, so we are very hopeful, TV notwithstanding.

As you notice, our Monday through Thursday, our daily is about 25,000 and our weekend or Friday paper runs up to 50,000. The reason for this in many cases is again the length of time in getting the paper to the people. In other words, there are a lot of people that only get the weekend paper and not the daily.

Senator Hays: Are there a lot of people in the City of St. John's who are not receiving a daily newspaper, or would this be in rural areas mostly?

Mr. H. C. Herder: Mostly the rural areas. As far as St. John's itself, the city zone is 14,000 again Monday to Thursday, and in the evening, 18,000. Some of this, of course, is caused again by people coming in from nearby and picking up a paper in St. John's rather than outside the community.

I think we are—I am guessing and I should know—about 80 percent on our weekend or a little higher of St. John's coverage.

Senator Hays: Did you say eight percent that do not receive a daily paper?

Mr. H. C. Herder: No; I would say probably 20 percent, maybe higher.

Senator Hays: In St. John's that do not receive a daily paper?

Mr. H. C. Herder: Right, or apparently do not.

Senator Hays: That do not?

Mr. H. C. Herder: Right.

Senator Hays: What sort of people would these be?

Mr. H. C. Herder: Well, I am biased, of course. I think they are missing a great deal. I suppose a few people do not want it, cannot afford it—which may be one of the reasons.

Senator Hays: Would these people—this 20 percent group of householders—have television?

Mr. H. C. Herder: I would think so; more than likely.

Senator Macdonald: Are you taking into account that more than one person might be reading the paper?

Mr. H. C. Herder: No. This is what we would like to think. We do know of cases where the papers are passed on, but that is rather a weak one to go on because I have no figures. We do know that it does happen.

Senator Macdonald: I know it is a practice for people in a barbershop. There might be a dozen people who read the one paper if they go into that shop.

Mr. H. C. Herder: Yes.

The Chairman: That is Cape Breton.

Senator Macdonald: That is right.

Senator Hays: Do you believe there should be a national code of ethics for newspapers?

Mr. H. C. Herder: Well, I certainly have no objection to it. We have one proviso again, that they would not make us do something that we did not want to do.

Senator Hays: Would you enlarge on that a bit?

Mr. H. C. Herder: Well, I do not think we would want to print anything that we did not agree with. I cannot think of anything at the moment, quite frankly. We like to be frank, free and fearless, and we think we are. Whether we are or not, I do not know.

In other words, we like to kind of run our own newspaper to the best of our ability without outside interference within reason.

Senator Hays: I am thinking of a national code of ethics, not only for the news but for advertising, the acceptance of advertising and that sort of thing. It would say, "Well, this is just something that a newspaper just will not do."

Mr. H. C. Herder: Depending on where it came from, but I think we would be happy to cooperate. I do not think there would be an objection.

Senator Hays: You would not be opposed to a national code of ethics?

Mr. H. C. Herder: No.

Senator Hays: Who would establish the code of ethics? Should it be done within the framework of the newspaper people themselves, or locally?

Mr. H. C. Herder: I think it should be done by the newspaper themselves, maybe because we would be happier then. However, when it was done, maybe it would not be suitable to everybody else.

Senator Hays: Now, another question. It is not related. Do you feel that the news is important enough to be subsidized by Canadians insofar as the postage is concerned? Has that been done in the past?

Mr. H. C. Herder: I am not sure. I think I am missing something.

The Chairman: Explain your question, Senator, please.

Senator Hays: Well, part of the great deficit in the Post Office has been second and third class mails. You already referred to what your extra costs were, and you put an additional charge on the newspaper to take care of it—I think up to \$65,000. Do you feel this was a mistake?

Mr. H. C. Herder: No. If the Post Office was not charging enough before, it was our good luck and their bad judgment. It does make us a little unhappy that they suddenly increased it by a rather heavy amount and certainly, the service is not any better.

Senator Hays: I do not know whether this is a privileged question.

The Chairman: You can ask the question and we can decide.

Senator Hays: What do you have to pay a reporter in your papers in St. John's?

The Chairman: I do not think that is a privileged question.

Mr. S. Herder: No. We do not mind answering. We are starting juniors, and I mean messengers or copy boys—newspaper people

here will know what I mean by those—at \$60 a week, depending on educational qualifications. I believe our starting for journalistic school graduates is \$110 a week. They would not stay at that very long if they were good.

Senator Hays: What was that?

Mr. S. Herder: \$110 a week; that is journalism school graduates.

I noticed a reference in a newspaper account this morning to journalism school graduates starting at \$75. I do not think that is realistic, as I understand it from a lot of newspaper firms in the country. I just do not think it is very accurate. I think it is way low. It was a report.

The Chairman: Perhaps in the American Guild presentation.

Mr. S. Herder: That is the item that I am referring to, Mr. Chairman.

The Chairman: Starting salary in Oshawa was at \$75 as I recall. Senator Hays.

Senator Hays: Will the White Paper on the proposed taxation affect your company?

Mr. H. C. Herder: I would think so. Any taxation or any new taxation and, of course, we are very much a family business. So long as we can fool the bank, we are quite happy.

I think we would be rather unhappy. We mentioned in the brief, the best way we could explain it was if two of us went to an untimely death, succession duties might be a little embarrassing, to say the least.

Senator Hays: As a newspaper, would you oppose the White Paper?

Mr. H. C. Herder: Well, if anything would save us money, yes.

I might say, too—I hope you will forgive me—the Telegram to us is rather like a member of the family. It is a pretty personal thing. We are into the third generation; we have another one there. While we as a family often take a crack at each other, we do not like it if anybody take a poke at the paper, even if they are right. We hate to see it go.

The Chairman: Senator Petten.

Senator Petten: I would like to ask you, Steve, not mainly for my information, but everything. Do you have difficulty maintaining staff? Do you have any difficulty in holding competent staff?

Mr. S. Herder: We have had because we have had a rather local policy which gave us some difficulties. We just did not find young people coming out of school who were saying, "By George, I want to work for the newspaper." They do not want to go through the hard grind that goes with it. We have gone to schools of journalism, notably Carleton.

We have, I believe, five Carleton graduates on our staff now—or six. I am sure of five. These are very good, bright young people and we are delighted to have them.

Senator Petten: Do you have any training scheme of your own at the paper?

Mr. S. Herder: Yes, we do. It is not nearly enough. We are very busy trying to bring it forward and make it something worthwhile.

Mr. Harrington: We mentioned that we tried to institute a sort of seminar, much like our predecessors in these hearings. Unfortunately, we bogged down. That does not mean we are not going to keep trying.

We have our staff discuss legal matters, legal principles, etcetera, libel laws and what not. It is a forum that we hope to develop over the years. May I say we have made the first attempts and have been fairly successful.

I think we point out in the brief that about a year or two ago, Memorial University Extension Service started not exactly a school in journalism, but a serious series of lectures in journalism in which some of our people, including myself, lectured on various aspects of our paper and newspaper business generally.

They have not continued it, unfortunately. Maybe they will bring it up again. I do not now know.

The Chairman: Senator Beaubien.

Senator Beaubien: I want to ask Hubert a question. You said a newspaper—if I can go back to something you said some time ago—mailed Friday afternoon arrived at Cornerbrook Monday afternoon.

Mr. H. C. Herder: Right.

Senator Beaubien: Is that something new or is it historic? Did that always take that long?

Mr. H. C. Herder: I think we used to make it on Saturday before Saturday became a holiday to the postal officials.

Senator Beaubien: It used to arrive Saturday; is that correct?

Mr. H. C. Herder: I expect it still does, but it does not get out of the post office.

Senator Beaubien: You said circulation, 20 percent of the families didn't get the paper in St. John's. Would that account for people that would buy it on the street corner or do you take the number of papers sold in the city compared to the number of heads?

Mr. H. C. Herder: Right; number of homes.

Senator Beaubien: About 80 percent then of the population would get a paper?

Mr. H. C. Herder: Of St. John's; yes. I would like to check that figure, too.

Senator Hays: That is 80 percent of the householders, not the people.

Mr. H. C. Herder: Of the householders.

Senator Beaubien: Yes; that would make quite a big difference then; yes.

The Chairman: Mr. Herder, do you think that there are problems publishing in Newfoundland which way not pertain to the rest of the country?

Mr. H. C. Herder: I think some. For example, we get up an hour and a half ahead of the rest of Canada which makes the wire a bit fast, as against Montreal, for example.

Being a long way away, it is sometimes difficult to get parts. If I can illustrate, we had a chap from New York come down one year. He was an engineer. He looked at us and he said, "I want to see your mat man, and a metal man, engineering man, tomorrow morning at nine o'clock."

We said, "Well, we think you should have stayed in New York because they are there."

The Chairman: In the section of your brief dealing with freedom of the press, you make reference to the fact that in the 1950's, "We had to fight a hard battle with the Newfoundland government over the right of the press to have an independent voice, not directed and dictated by those holding political power."

You also say in that section earlier, referring to freedom of the press, that "a powerful government can easily suppress it."

Was freedom of the press suppressed in Newfoundland in the 1950's? Would you tell us what you mean?

Mr. H. C. Herder: Yes. It should have come out. We expressed our disapproval with what mainly was the economic development of Newfoundland. We disagreed with the way it was done. There was a lot of political disapproval put on us.

The Chairman: How did it manifest itself?

Mr. H. C. Herder: Libels; we had I think, at one point, three.

The Chairman: Issued by the government?

Mr. S. Herder: Two by Cabinet and one by an individual. I think we got up to the uncomfortable record of about a million and a half dollars in three separate suits. It was not altogether a happy time.

The Chairman: Those days are gone, are they?

Mr. H. C. Herder: They have subsided.

The Chairman: You have a flat sentence in this section of your brief. I quote: "Freedom of the press is not threatened in Canada." Presumably, that also means that freedom of the press is not threatened in Newfoundland. This is all a matter of academics; this is history and the situation does not pertain now. Is that right?

Mr. H. C. Herder: Again I think that might have come out of the four or five people who worked on the brief. I do not think we felt that strongly about it; certainly not now.

The Chairman: I hasten to say I am not trying to embarrass you.

Mr. H. C. Herder: No; no.

The Chairman: You also say in this section on freedom of the press, "The people in the news media are among the most self-critical in any sphere of business and professions." Would you agree with the statement that that self-criticism is mostly internal?

Mr. H. C. Herder: Yes, although at any meetings that we attend, the press itself seemed to gripe more on what has not been done and should be done, rather than patting themselves on the back.

The Chairman: I have no quarrel. I think, perhaps, that is right. I was just going to say, are not those analytical and self-critical meetings usually closed meetings? In other words, I am prepared to accept your statement that

the news media are among the most self-critical. I am prepared to accept that statement.

I must be frank to say it is an opinion I did not have until we began the work of this committee. I think the fact I did not, reflects a public attitude.

Mr. Harrington: What we mean there, I think, is any time a publisher or an editor or—well, that will do, is asked to speak at a function on work that he is doing, he tends to be rather critical of the way in which the job is being done. I know this has happened to me when I have been asked to speak at a function on work that I am doing. I am generally rather critical of the way we do our job and I point out what our faults are, the pitfalls and how easy it is to get into them, and what we try to do to correct them.

I repeat, it is not only just in my case. Only last week, I believe, I saw in one of the papers that out west, one of the publishers that would be appearing here some time was speaking to, I forget which group it was—Rotary.

He was tearing into the press again on the same basis. I was not thinking of this purely in terms of the CDNPA meetings when they get behind doors and discuss.

I think whenever a publisher or editor gets an opportunity to talk about the business, they are very critical about the whole operation, I think much more so than in a lot of other professions.

The Chairman: I am prepared to accept it. I am interested in the way you had it worded. Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman.

Mr. Herder, what is the relationship between the Cornerbrook Western Star and the St. John's Evening Telegram, if any?

Mr. H. C. Herder: None.

Mr. Fortier: Do members of your family own shares in the Cornerbrook Western Star?

Mr. H. C. Herder: I am Vice President of the Western Star by virtue of the fact that somebody is very fond of me and a large shareholder—namely my wife.

Mr. Fortier: Is your wife the majority shareholder?

Mr. H. C. Herder: No.

Mr. Fortier: Who is the majority shareholder in the Cornerbrook Western Star?

Mr. H. C. Herder: They are two women; one is an aunt and one is my wife. They own 49 percent.

Mr. Fortier: So the Herder family in Newfoundland also owns and controls the Cornerbrook Western Star?

Mr. H. C. Herder: Part of the Herder family. For example, we have Steve who has no shares in the Western Star. He is a director. He is a director, but not a shareholder.

Mr. Fortier: I notice somewhere in your brief that you refer to the exchange of news between the two newspapers. Is there any other overt exchange of cooperation between the two papers?

Mr. H. C. Herder: In every way possible.

Mr. Fortier: In order to what, minimize costs?

Mr. H. C. Herder: Right.

Mr. Fortier: Any other reason?

Mr. H. C. Herder: Well, for news, obviously, advice. Whichever has the best, we exchange and we run very side-by-side in that sense of cooperating.

Mr. Fortier: Would it be a fair statement to say there is no competition as to circulation between the two newspapers?

Mr. H. C. Herder: Yes. We would not spare their hide if we could get at them, but Cornerbrook is too far and that is not regular. As a matter of fact, we run to Grand Falls and Gander every day two trucks which come to meet each other for the simple reason that unless you get it there every day, your sales have no hope.

Mr. Fortier: Do you have figures on how many Evening Telegrams are circulated in Cornerbrook on any given day?

Mr. H. C. Herder: I could not say at the moment. Possibly not more than a dozen; possibly they just do not sell and that costs us money.

Mr. Fortier: I was interested to hear you refer to these lawsuits which were instituted in the 1950s. What happened to those lawsuits? How were they disposed of? Were they eventually settled or judgment?

Mr. H. C. Herder: We did not lose.

Mr. Fortier: May I ask for a reply to the question, Mr. Chairman.

Mr. H. C. Herder: They were settled out of court.

Mr. Fortier: It is with interest that I noted the Chairman stopped after that first sentence. You said "We won the fight and we have jealously guarded the right which the government still snipes at from time to time."

Could you give us instances of sniping by the Newfoundland Government in recent months or years?

Mr. H. C. Herder: How long do we have?

The Chairman: Well, I will give you five minutes. I think that is a valid question. Do you want to answer it?

Mr. S. Herder: I will take a stab at it, Senator, subject to comment from my colleagues.

When covering the House of Assembly, I have been called a knave and a jackass and that is fairly mild. Other members of our staff have received the same sort of name for either commentary or reporting in our paper. Such commentaries come from the Government side.

They could have come from anyone. I do not really remember who embarrassed the tears out of me in one uncomfortable situation. We suffer as a newspaper from time to time. That is what I mean by sniping, attempts to suppress information; that is the thing we feel strongest about, to suppress information to which the public is entitled.

Such agreements between the Government, including tax relief and that sort of thing to incoming industry, this sort of thing will draw retorts not so much on our own paper because sometimes our rapport with various members of the Government of Newfoundland is not altogether happy and we are inclined to hear on the radio stations, what is being said about us on any given day.

This again would come into the field of sniping. I do not feel so generous about it as to say it is always in good sport. We do not like being insulted.

Mr. Fortier: May I ask how you, as papers, deal with these things?

Mr. S. Herder: If this is in the area in which we are commenting at the time and commenting, not reporting, we will continue to comment on it until such time as we run

out of commentary. If we just cannot find something else to say, or have no cause to say...

Mr. Fortier: Is the column or rather the section dealing with letters to the editor ever used for that purpose? I mean this would be a legitimate thing. Is it ever used by members of the Government?

Mr. Harrington: Yes.

Mr. Fortier: To get a snipe at the newspaper?

Mr. Harrington: No. To reply if we have a story that they disagree with or on some ground, whether it is factual or something else. They often come back and write a letter. In the same way, in the case of editorial comment or commentary of any other kind on the editorial page, they frequently come right back at us. We give them as much prominence as we can and usually try to feature the reply on the editorial page or smack on the editorial column.

It happened as recently as 10 days ago.

Mr. Fortier: May I ask if, to your knowledge, this sort of sniping occurs elsewhere on the newspaper, where other newspapers are concerned in Newfoundland?

Mr. S. Herder: Oh, yes.

Mr. H. C. Herder: I do not like the word "sniping". We hit them; they hit us; fair ball. What we object to if there were any laws to protect us and we were not always right; if we are not, of course, we get it in the neck.

Mr. S. Herder: Could I just interject one thing. I am sorry. I do not know why I am so stupid. This is the A.B.C. report—Occupied dwellings, 16,500. Our Monday to Thursday is 14,000 and our weekend is 18,500—so in the Monday to Thursday, we undersell and other days, we oversell on weekends. I am sorry.

Mr. Fortier: I would like to pursue that point, if I may. The A.B.C. figure show that over the last 10 years, circulation has increased by 23 percent. Do you know if your national advertising, without further advertising rates, has also increased during that period?

Mr. H. C. Herder: Definitely.

Mr. Fortier: Would there be any relationship between the increase of circulation and increase in advertising rates?

Mr. H. C. Herder: Some of this gives us justification, but really our advertising rates go, to put it simply, on how many apples are left in the barrel.

Mr. Fortier: Mr. Farrell told us this afternoon—you may have been here—that the advertising rates were what the traffic would bear. Would you agree with that statement?

Mr. H. C. Herder: It does not sound right, but yes; yes, what the traffic has got to bear.

Mr. Fortier: I just wondered if it was an attitude of "If you can get it from them, take it".

Mr. H. C. Herder: We like to think that we take what we need to make it work.

Mr. Fortier: Which is your main area of competition insofar as the advertising dollar is concerned; is it radio or television?

Mr. H. C. Herder: I would say possibly TV, certainly in national advertising.

Mr. Fortier: Mr. Harrington, has the advent of television meant a change in written journalism insofar as your newspaper is concerned?

Mr. Harrington: In what way?

Mr. Fortier: Well, I am referring to the statement which was made yesterday by one of the witnesses who appeared before the committee. It was to the effect that because of the advent of television, newspaper reporting had become more exact.

Would you comment on that?

Mr. Harrington: Well, I think newspaper reporting always had to be exact. I would say, you are suggesting that because people see an event take place that the reporter must be very precise.

Mr. H. C. Herder: Certainly, Senator, no doubt we lose some of the lead we previously had; if you are being goosed you run harder. It definitely has not done us a bit of harm; it has made us more careful; sure.

Mr. Fortier: You run "Herder".

Mr. Harrington: We have had changes in content, format and layout on the very basis.

Mr. S. Herder: Let me take it a little further than Mike. I would say that the packaging has been a more major change than the accuracy of reporting. The other major result

that could be put on television's doorstep is all newspapers are doing more what we call depth or backgrounding of news—and it is a darned good thing, too.

I would like to feel we had done it all on our own as newspapers, but I am not sure this is so.

Mr. Fortier: For these in-depth studies, do you consider that you have enough reporters on the staff now to carry them out properly?

Mr. S. Herder: I was looking at some figures last week. I think we have too many. Most of my work on the newspaper has been on the editorial side. I still look for stronger editorial staff.

Quite frankly, I think we have enough. We probably are fairly large. By the standard of our size, we have 58, I think, full-time newspaper people, reporters, editors, photographers, and what-have-you.

Mr. Fortier: When you wake up an hour and a half before the rest of Canada, Mr. Herder...

Senator Macdonald: Before Montreal, not Canada.

Mr. Fortier: I interjected a personal thought. The question of news priority arises; do you look east or west?

Mr. S. Herder: I think...

The Chairman: Do you want that question explained?

Mr. S. Herder: I think I am getting past that one which is intended to be trite. We do make an honest effort to judge everything, from two-line fills up to today's main story. We really do. It does not always show in the paper, but we are trying. We do not look in either direction, as such.

The Chairman: I am sorry. Senator Everett wanted to ask some questions. Do you want to finish?

Mr. Fortier: Mr. Chairman, I have only a couple of more questions. In Item 16 of your brief, I notice that you cited the opinion of one of your editors, which I must assume as you incorporated it into your brief that you agree with. He speaks on the second page, third paragraph of Item 16, the last sentence. It says as follows: "Only when a question of taste or possible libel was concerned have I seen a story held up or killed by top management."

My question is a double-barrelled one. This question of taste appears many times in your brief. I would like to know whose taste you refer to and I also would like to know what stories in recent months may have been killed on account of taste.

Mr. H. C. Herder: The taste, I suppose, is our own, what we think is right or wrong.

Mr. Fortier: Meaning you, the publishers?

Mr. H. C. Herder: Yes, and with the other bodies around, they may narrow. If it is a case of libel or something, for example, we have another uncle who is Chairman of the Board. If he does not like something, he says, "No; that is bad taste," if we have not cut it off before.

Mr. Fortier: That would be, I emphasize, the taste of the Herder family?

Mr. H. C. Herder: Well, yes.

Mr. Fortier: Would you give us an instance of a story or stories which have not been published in recent months on account of offending the Herder taste?

Mr. H. C. Herder: Well, I do not know what light we are going to put ourselves in now because I cannot think of one. Maybe our taste is pretty loose, but—I am not trying to be facetious.

Mr. Fortier: I am referring to your brief.

Mr. Harrington: Frankly, I am in the same position. When it comes to the actual remembrance of a situation, it slips my mind. I cannot think of anything right at the moment. Maybe our tastes are very broad.

Mr. H. C. Herder: I know where it came from and he happens to be enthusiastic. He did work with us, and I hope I am not maligning one. It was rather difficult. He objected to being guided.

Mr. Fortier: I will quote: "We base our judgment of any material not fully in accord with our own views only on good taste."

Mr. S. Herder: At the outset it was mentioned there was some overlapping. Yes; this is a clear case. However, these things we just have to take my word. They were written independently; nobody saw anybody else's.

Mr. Fortier: You make that point very clear.

Mr. Harrington: I eventually put the thing together. I use the word "loosely". We did not

change, just because it did overlap and it did overlap.

Mr. H. C. Herder: Our ideas of good taste may not agree with everybody else's.

The Chairman: Does this statement stand: "We base our judgment of any material not fully in accord with our own views only on good taste."? Does the statement stand or does it not?

Mr. H. C. Herder: I would think a lot of people disagree with our taste.

The Chairman: May I ask you, if Mr. Fortier will permit—I just want to ask you what you mean by good taste.

Mr. H. C. Herder: That is what I was afraid you were going to ask. The only thing I can say is that it is something we do not think should go in the paper because it is unfair; it is misleading; it was wrong, or if you like, too sexy could come under the quotation.

The Chairman: When you use the phrase "Good taste", does it relate primarily to questions of sex?

Mr. H. C. Herder: No; no.

Mr. Fortier: Sex can be in good taste.

Mr. S. Herder: Yes, sir.

The Chairman: So the statement stands.

Mr. S. Herder: Senator, as it says only in good taste, we must use the laws of the land basically, as well as our own judgment.

The Chairman: I think Senator Everett had some questions.

Senator Everett: Could you tell me what relation J. M. Herder is to you?

Mr. S. Herder: He is an uncle.

Senator Everett: Your uncle, and a substantial shareholder?

Mr. S. Herder: In the Telegram?

Senator Everett: Yes.

Mr. S. Herder: Right.

Senator Everett: Is he also a shareholder in the Western Star?

Mr. S. Herder: No.

Senator Everett: He is not?

Mr. S. Herder: No.

Senator Everett: Could you tell me what relation of his is a shareholder in the Western Star?

Mr. S. Herder: His wife.

Senator Everett: His wife. You say that his wife and your wife own 49 percent?

Mr. H. C. Herder: Each owns 49 percent. In other words, except for a couple of qualifying shares, the girls own all.

Senator Everett: You say on some page in the brief, just prior to Item 7: "As to inheritance taxes, for instance, in a closely held company such as our own the untimely passing of one or two members of the ownership family could be a very major problem indeed."

Could you tell me whether you have done an analysis of your estate tax situation under the present act and whether or not you would have to sell either of the newspapers in certain succession cases?

Mr. H. C. Herder: We have not done a survey. We rather suspect we would, and hope we would not have to. We do not know because there are a number of combinations if you play around with it, just to see how to come up. In other words, just could pay and who could not.

Senator Everett: But you think there is a grave possibility this would happen?

Mr. H. C. Herder: I think it could, sir.

The Chairman: Mr. Harrington, are there any underground newspapers in Newfoundland?

Mr. Harrington: I have not heard of any.

The Chairman: None in St. John's?

Senator Hays: I would just like to pursue one question. Mr. Farrell was here. I asked if he felt the press should have freedom to persecute and he said no. He did not think they should have. How do you feel there?

Mr. H. C. Herder: I feel it should not; no, definitely.

The Chairman: Would you care to expand on the ideal in Section 22 in connection with It is desirable, we agree, though not economically feasible for Canadians to have more direct representation...?"

Then you continue with "This question however causes us to comment on the frequently heard desire for a national newspaper for Canada. How would it be financed and who would run it? Might not this be a kind of challenge to the newspapers of the nation to try to create one on a co-operative basis..."

Was that a serious or capricious suggestion?

Mr. Harrington: That is not a suggestion. It is just a thought.

The Chairman: It is not a suggestion?

Mr. Harrington: Well, no.

The Chairman: Is there anything you want to say on it at all?

Mr. Harrington: No. It simply is thrown in as a thought for whatever discussion or consideration the committee or anybody else wants to make of it.

The Chairman: You refer to it as—I am quoting from the brief—"a kind of Senate of the Press." That is mind-boggling.

Are there any other questions that the Senators have?

Senator Macdonald: To go back for a moment to the recruiting of staff. You mentioned five or six Carleton graduates. Would they be girls or boys from Newfoundland who came to Carleton or would they be people from outside Newfoundland?

Mr. H. C. Herder: One of them is.

Senator Macdonald: One is from Newfoundland?

Mr. H. C. Herder: Not one of the Carleton ones, no; I am sorry.

Senator Macdonald: I was wondering if your geographic location made it difficult to get people from upper Canada to stay there.

Mr. H. C. Herder: More, but some come and like it and enjoy it.

Senator McElman: Are any scholarships provided in Newfoundland for students to attend schools for journalism in other parts of the country?

Mr. S. Herder: No. There is a move right now. I have forgotten from which direction it is coming. It is a move to do just that. I think it is something as small as a scholarship for a student to attend a school of journalism.

Mr. Fortier: I wonder if we could hear what Mr. Herder's views are on a press council.

Mr. H. C. Herder: No violent objection at all except the feeling maybe—and I am not too sure exactly how a press council works or would work. If it is another body that is going to have control over us—we have been free since 1497. Our last territorial demand was 1949.

This would be the only thing. If we had to get tangled together with meetings deciding on the day-to-day business, I think we would be unhappy. But again, I say, we basically have no violent objections. We have no objections, particularly if it were well set up.

We do not, by the way, object to criticism. Talk about me whatever you do; do not have a guilty silence.

Mr. Fortier: At the local, provincial, or national level?

Mr. H. C. Herder: I would rather have it at the national level because, up to now, they have been a nice, long way away.

The Chairman: Perhaps on that note, may I thank you Mr. Herder and Mr. Herder and Mr. Harrington. We are grateful you were able to be here. We appreciate your coming from Newfoundland to attend the hearing.

Honourable Senators, the next meeting of this Committee is this evening at eight o'clock in this room, when we will have as our guest, Mr. Claude Ryan.

I wonder if I might also ask the Senators who are on the steering committee, members of the staff, Senator Petten and Senator Everett to remain just for a brief meeting now for about five minutes.

Thank you.

The Committee adjourned.

(Upon resuming at 8:00 p.m.)

The Chairman: Honourable Senators, our guest this evening, as I am sure you are aware, is Mr. Claude Ryan, who is the publisher of "*Le Devoir*."

I should perhaps make clear at the outset, however, that he does not appear here this evening in his capacity as publisher of that newspaper but, rather, is the first in a series of nationally known commentators who the Steering Committee felt might have views of great interest and great value to the Committee.

Mr. Ryan has submitted a paper for the Committee's consideration which he has been kind enough to bring with him this evening. We have agreed that we might proceed this evening as follows: that he will take 15 or 20 minutes and summarize the highlights of his paper.

Following the summary Senators will then feel free, Mr. Ryan, to put questions to you certainly on your paper, but there may be other things as well which they will want to ask you about. And you have agreed that that will be possible.

I am going to ask you first of all if you would introduce the people who are with you.

Mr. Claude Ryan, Editor, "*Le Devoir*": I should like to introduce two colleagues from *Le Devoir* who have accompanied me this evening, although they are not necessarily bound by the opinions expressed in the paper which will be submitted to you. They are: Mr. Michel Roy, Political editor of *Le Devoir*, and Mr. Bernard Larocque, assistant treasurer of the newspapers publishing company, The Imprimerie Populaire Limitee. They may have interesting information or impressions to give you during the question period to follow the summary of the paper...

Then, Mr. Chairman, with your permission, I propose to summarize in French the paper which I just now handed to you. I am sorry I was not able to let you have copies earlier, but you will undoubtedly be told in the course of your hearings, we are used to working against a deadline in a daily newspaper, and so we do not feel the necessity to turn out copy until the very last minute. Indeed I shall be very happy, during the question period that follows, to discuss any point which an member of your Committee may care to raise, in the language used to frame his questions. I believe we shall be able to understand one another in either language.

I should like to make a correction in my text, or perhaps in the remarks made earlier by the Committee Chairman; he said that I was here in my personal capacity, whereas I started my text by saying: "I represent *Le Devoir*." I could simply change that to read: "I work for *Le Devoir*".

Mr. Fortier: Couldn't you wear two hats?

Mr. Ryan: In the first part of my paper, I have tried to give you an idea of what is represented by *Le Devoir*, where I have had the privilege of working for almost eight

years now. *Le Devoir* is an institution with a very special character in Canada. It is a daily newspaper, published on a non-profit basis by a corporation, none of whose members receives any remuneration;—except permanent employees—it has always been committed to ideas, rather than to commercial values, yet it has managed, although still a relatively small newspaper, to stay alive for sixty years, retaining all the while a high degree of independence. Because the newspaper has this experience behind it, I was especially honoured by the invitation to address your Committee, because I believe that for sixty years our paper has exemplified the freedom of the press, not only through the values it has tried to defend, but also through the endless problems and difficulties which it has faced throughout its lifetime, which will reach sixty years next January.

Next, I wanted to say how very much I appreciate the fact that a Parliamentary Committee should concern itself with the problem of the freedom of the press, as well as the seriousness with which your Committee established its research program.

I was visited in my office by officers of a consulting firm assigned to carry out certain work on your behalf. I am glad to say I was impressed by the high quality of the documents with which we were asked to work. I would also like to compliment you on the quality of the guide to discussion given to witnesses called before your Committee. It constitutes an excellent summary of the problems confronting the daily press.

In the next few pages, I have tried to expand on the traditional notion of freedom of the press. As a rule, freedom of the press is presented as the right of the individual citizen to disclose information, disseminate opinions, make his point of view known; in addition to this dimension, which remains basic, I believe there is a social and collective dimension which today is just as important as the first, and that is the citizen's right to information. This means the public's right to receive information that is proper, honest and just as complete and diversified as possible. I also add, a bit further on, a third dimension, which I would call the right of a person holding a responsible position in society to be presented to the public in a true light, to have his activities, points of view and projects shown to the public at large in perspective and with such background as will reflect a faithful picture and not just a caricature or

mis-shapen image. These are new aspects of which we are more aware today, because we have had occasion to weigh the tremendous influence wielded by the communication media.

I then go on to speak of the advent of television and of the challenge it represented for the press. Television, as you have undoubtedly been told before and will certainly hear in the weeks to come, has seriously cut into a source of revenue on which daily newspapers drew more abundantly before its inception. It is becoming more and more difficult for us to obtain our fair share of advertising on a national or even a regional basis, because television is providing us with very sharp competition. However, television notwithstanding, I am personally convinced that in many respects the daily newspaper is still a factor of great importance in forming public opinion.

I believe the written press has certain advantages, particularly the possibility of presenting the news in greater detail and of the possibility of viewing events with the perspective provided by several hours of elapsed time; the ability to hold its readers longer, and, above all, to afford the reader an opportunity of re-reading any article he has not fully understood.

The newspaper which I represent is rather privileged in that respect, because I think it may be the most frequently clipped paper in Canada, the one from which people take the largest number of clippings to set up files of all sorts on one question or another.

Many people subscribe to *Le Devoir*; they don't always read it every day because they find it hard to digest in the morning; they prefer another newspaper—which I shall not name—as their breakfast fare. But ours is a newspaper that people keep, and to which reference is continuously made; you will see it in scholarly works turned out by universities, and even by government task forces. If you consider the French press in particular, at least three of every four quotations and references will be taken from *Le Devoir*; because this is one of its characteristics, it will probably be able to get more easily through the present period.

I then went on to emphasize that newspaper owners are not as free and untrammelled as they used to be, because newsmen on many papers have organized into unions which have helped journalists a great deal, not only to improve their material and social

working conditions, but also to obtain greater recognition of their rights and fundamental dignity. This in turn leads to problems when unionism becomes too strong in newspapers. It also gives rise to problems of a different type, a couple of which I mentioned in my brief. However, it is fair to say that, on the whole, the positive effects of unionism have so far outweighed the few problems that may have stemmed from it.

Next, I pointed up the very, very special working conditions which prevail in a daily newspaper. Personally, I worked for twenty years in other sectors, and during that period my office staff and equipment as well as my research facilities were much larger than those that are now available in the daily newspapers.

In a daily newspaper, as I pointed out here, a journalist may do a very important job, yet has to make his own telephone calls and, in most cases, handle his own correspondence. He has to organize his work and conduct his own research; he has nobody to do his "leg work" for him, and except for a few top-rated journalists, the newspaper cannot afford to provide these facilities.

Secondly, owing to the speed at which we must work and the tremendous amount of material to be handled, the chances of error are much greater than in any other profession that I know. It is often said that even the righteous are bound to err seven times a day. However, a journalist's errors are made public, affecting men and organizations that are very jealous of their prerogatives and reputations; more often than not, this brings down on his head undeserved charges of incompetence or dishonesty.

Today, you heard the spokesmen for the Canadian Press. In that respect, there is one point in particular I would like to make. You should know that French-language newspapers are seriously handicapped as compared with their English-speaking colleagues when it comes to services for supplying news.

I should like to read to you an excerpt from my brief, on page 15—I have reached page 15, Mr. Chairman, and I hope this is going fast enough for you.

In Canada, the Canadian Press agency—the co-operative property of the country's daily newspapers, which means we are also one of its owners—supplies at least twice as much material in English as in French; in fact I believe it is more like three times as much. I have been somewhat careful in the text, but I

do believe that it is three times as much. For instance, Canadian Press has ten or more professional journalists covering the parliamentary scene every day and turning out copy in the English language, as compared to only three who write their copy in French. Similarly, the network of English-speaking correspondents for Canadian Press covers the whole country, whereas the agency maintains French-speaking correspondents only in a few main centres. This means that in our French-language newspapers we must make do every day with a synthetic diet, fed to us by CP and which often arrives—particularly where *Le Devoir* is concerned—at hours and under conditions which prevent us from using it as we should like to do.

Senator Beaubien: Mr. Ryan, does it arrive too late, or what?

Mr. Ryan: Yes.

Senator Beaubien: Do you have to translate?

Mr. Ryan: Yes, in many cases too late, because they have to work for the afternoon papers and morning papers at the same time, and since the service is still small, some newspapers receive poorer service than others. Our deadline is earlier than that of other morning newspapers published elsewhere. A good deal of copy arrives too late for us to use.

The Chairman: Excuse me, Mr. Ryan, I have received a note, which shall remain anonymous, asking if I might persuade you to slow down just a bit.

Mr. Ryan: I'm appreciative of this.

The Chairman: Well, its a . . .

Mr. Ryan: No, I expected I would get a notice to this effect.

Mr. Fortier: Mr. Ryan, in view of the fact that we did not have the advantage of reading your text before eight o'clock, I believe it would be in your interest and ours for the Chairman to allow you more time to explain it to us.

Senator Beaubien: We will give you all the time you need.

The Chairman: Take as much time as you need, but the note indicated the person was anxious to study the things you were saying.

So would you go more slowly? I am sure you will.

Mr. Ryan: So I was at page 15. I won't go back. This remains open for questions, though.

But, starting from page 15, I have what I consider some very important things to say at the end of the brief concerning postal changes in the last few months and their consequence on a newspaper like ours. And these papers I think I must discuss fully, with your permission.

The Chairman: Of course.

Mr. Ryan: I just mentioned the quality of French service in the Canadian Press, and more generally ...

The Chairman: Speak French, if you prefer.

Mr. Ryan: Speaking in more general terms, the English daily papers have the benefit of much more abundant sources of immediate information than do the French newspapers. For instance, they have the many syndicated columnists from the United States. To give only one example, the column of Jos. Kraft, which replaced that of Walter Lippmann, reaches the English newspapers the same morning and can be published immediately as is. We at *Le Devoir* have subscribed to the Jos. Kraft column, which is interesting indeed. However, we have to translate it from English to French.

Senator Beaubien: And that takes time.

Mr. Ryan: It takes time and it costs money since the translation is not done by the publisher himself.

On the English-speaking side, fear has often been expressed concerning the possibility of invasion by French sources, French sources with a capital "F". There is no danger in this respect, or at least very little, because in nine cases out of ten, the material we receive from France has to be adapted to such an extent that we cannot transpose it literally. At *Le Devoir* we have a reproduction agreement with the Paris daily *Le Monde*, for example. Every day we reproduce perhaps one or two articles from *Le Monde*, that is all. We could carry much more but our readers would not accept it; besides too many of these items would have nothing of immediate interest to offer the reader with a Canadian outlook. Even so, we are glad to have this source.

I wish to add that for the past few years we have been able to supplement our news sources through the services of *Agence France-Presse*. Before that addition, the only international news we received in French was a brief digest from the French service of *Reuters*. All the rest came to us through *Associated Press*.

Now in our various newsrooms we have a good many French dailies from *Agence France-Presse* which are supplied to us at what I feel is a reasonable rate and which, on the whole, are very good. Some feel that because this news agency includes a certain form of government participation, it is biased and partial. Let me assure you that from this point of view, it compares well with the other large international agencies, each of which also has its little biases, whether conscious or unconscious.

I should now like to discuss concentration ownership in the newspaper business, a subject to which I have devoted considerable attention in my brief. I feel that it is important to deal with this question at some length because I believe it was one of the most pressing reasons for setting up your Committee.

Scarcely five or six years ago, Mr. Chairman, Quebec had some ten independent daily newspapers, including four English-language dailies. Today, the control of more than half these newspapers has been taken over by chains and at least one other paper is in very serious financial difficulty. And it is not *Le Devoir*. This means that in all Quebec there may soon be no more than two or three French daily papers completely free of any obligation or dependency other than that which they owe to their public and their journalists.

Concentration is newspaper ownership has undeniable advantages:

(a) The chain offers its members greater financial and technical resources than are available to the independent;

(b) The chain has recourse to more better qualified administrative and managerial talent;

(c) The Chain permits more extensive pooling of efforts and resources;

(d) The chain makes it possible to consider the development of markets for readers or advertisers on bases much broader than those of the immediate local market;

(e) Finally, the chain's greater resources enable a newspaper to make such changes and improvements as must be made if it is not to sink into mediocrity.

On the other hand, concentration of newspaper ownership presents serious disadvantages and dangers of which these are a few examples.

(a) The paper's identification with the community can readily become more artificial. The senior editorial and administrative staff may often be transplants with few roots in either the social environment or the profession.

(b) From the standpoint of professional quality, the chains we have seen at work in Quebec have a tendency to lower rather than raise standards. If they were not prodded by such local consciences as unions and the all too rare newspapers which are completely independent and concerned about quality, I am sure that the chains, of their own accord, would tend to standardize in an impersonal way the intellectual and professional aspect of newspaper production. For example, they would naturally be tempted to use the same parliamentary correspondent for all the members of their chain whereas independent papers would each insist on having their own correspondent. If ways are not found to stop this trend towards concentration, it may conceivably lead, in the long run, to a considerable decrease in the number of professional positions open in the field of journalism.

(c) From the standpoint of intellectual vitality, none of the existing chains appears to offer much in the way of stimulation. A number of papers which have become affiliated to large chains have succeeded in maintaining the vitality they already possessed. None admit to having received renewed vitality from their adherence to a chain. In a great many cases, the effect seems to have been exactly opposite. The owners and managers like to maintain that the director of each newspaper in the chain is completely free to determine the editorial policy of the paper. But this is obviously a guarded freedom exercised within confines whose limits, although not rigorously defined in writing, are none the less real.

(d) From the advertising angle, the danger with chains is that blocks will be formed which, on the pretext of making consolidated offers to advertisers, will eventually impose upon their competitors terms that are practically impossible to match. This danger has

already begun to materialize in the case of one chain of which one member, published once a week, offers advertisers a package deal including advertisements in two daily papers in the same chain, published in other centres. This is a thinly disguised attempt to divert from French-language dailies in the immediate area income which would normally accrue to them.

Senator Everett: Excuse me; would you mind repeating that last point?

Mr. Ryan: There is a tendency on the part of some chains to offer to advertisers package deals. And one example which I quoted was that of a newspaper appearing once a week in one city in the Province of Quebec and which is now offering to prospective advertisers package contracts involving two dailies published in other centres and that weekly published in another city, which means they are trying to take away from the daily newspapers in that community advertising revenue which would normally accrue to them.

Senator Everett: Thank you.

Mr. Ryan: There is a marked tendency in the chains to subordinate the intellectual and social function of the newspapers to the economic aspect. As a rule, chain newspapers are more impersonal, less committed politically and socially, than the independents. There are, of course, exceptions to this rule on both sides but I feel that it generally holds true. I could mention one case where the purchase of a daily by a chain had immediate effects on the costs of our own newspaper. We had to absorb a 200 per cent increase in our contribution to services shared jointly, and the main reason given us was that the decision had been made at head office, located in another province.

The trend towards concentration also gives rise to the danger that an increasing number of Canadian centres will be served, in future, by a single newspaper and perhaps even, directly or indirectly, by a single information network. Such a development would be contrary to the very principle of freedom of the press which postulates a certain diversity in means of expression.

I should now like to put before you some of the consequences of Bill C-116, which was passed by the House of Commons at the end of 1968, and of other administrative measures

subsequently taken by the present Postmaster General. Mr. Kierans had Parliament approve a completely unreasonable increase in the postal rates for newspapers, an increase out of all proportion with those put into effect in the United States in recent years. He also decided to eliminate Saturday mail delivery except in rural areas. Through a series of ill-advised decisions, he was also responsible for a marked deterioration in the general quality of the postal service.

On this subject, you might be interested in hearing a few facts and figures concerning the impact of these changes on the life of the newspaper I represent. Here they are: I shall go a little more slowly here because there are a lot of figures—you have them in the brief, in any case, but I believe that these are figures which should be of interest to you. At the beginning of 1969, we had 17,362 postal subscribers. At the beginning of December this year, we had 11,756, a drop of 5,606. In addition, at the beginning of 1969, we had 9,151 home-delivery subscribers; by the beginning of December, we had 12,727, a gain of 3,776. Now let us see what these figures mean in terms of money.

1. We suffered a net loss of at least 2,000 mail subscribers principally owing to the elimination of Saturday delivery, deterioration in postal delivery service and the increase in rates we were obliged to impose on our subscribers. At \$25 per subscription, this means a loss of \$50,000. By way of evidence, I submit a file containing dozens of cancellation notices in which the subscriber clearly attributes his decision not to renew to the deterioration of the postal service. You will note that these subscribers come from a great many centres in Quebec, which would indicate that the deterioration has been more or less general. Furthermore, these figures do not take into account the loss of interest doubtless experienced by numerous other subscribers who often do not receive their copies of *Le Devoir* for Friday and Saturday until the following Tuesday, and who, when their subscription runs out, may notify us of a decision similar to that contained in the notices of non-renewal which are now in the hands of your Chairman.

2. For the some 12,000 remaining postal subscribers, we have had to pay increased expenses of approximately \$3.50 per subscription annually, as costs rose from an average of \$3.00 to \$6.50 annually. This comes to an additional \$42,000. In this regard I wish to

emphasize—and emphasize very deliberately—that because of the .02 cents per copy minimum stipulated in the Kierans legislation, we had to bear, as of April 1, 1969, contrary to the general impression which may have been created by departmental publicity, the full weight of an increase which was supposed to have been spread over three consecutive periods. In March 1969, a 16-page issue of *Le Devoir* with approximately 42 per cent of the space reserved for advertising cost us \$157.67 for 15,000 copies. In April 1969, one month later, a 16-page edition with about the same amount of space reserved for advertising cost us \$308.05 for 14,000 copies. Costs rose from \$157. to \$308. for 1,000 fewer copies.

3. Wherever it was physically and financially possible, to use a trite formula, we had to extend our carrier service for home delivery, which already existed in the Quebec City and Montreal metropolitan areas. In direct costs for transportation, supervision and payment to newsboys, this service costs us approximately .05 cents a copy, instead of the average .01 cents a copy formerly paid for postal delivery. Considering the fact that this service had to be provided for some 3,500 additional subscribers in points as far apart as Hull, Saint-Jérôme, Joliette, Saint-Jean, Valleyfield, Saint-Hyacinthe, Sorel, Sherbrooke, Lachute, Chicoutimi, Rimouski, Trois-Rivières, Granby, Victoriaville, and many more, this means additional expenditures of at least \$42,000.

We then lost at least 1,200 subscribers who took only the Saturday edition of *Le Devoir*. The loss incurred under this item is estimated at approximately \$10,000.

On the other hand, last October, that is in 1968, we increased the subscription rate in anticipation of higher postal rates. The increase brought in additional revenue of something like \$55,000, about half of which, according to our estimates, would go to offset the increase in postal rates, which we were convinced would not exceed a possible maximum of 50 per cent. The remainder had been earmarked to cover increased production and salary costs resulting from regular collective agreements with our employees, who are practically all unionized, and from a radical change in the paper's production methods. If from the increased costs mentioned above, we deduct approximately \$30,000 which in any case would have had to be allocated to the increase in postal rates, we are left with a clear and shocking total of \$114,000 in losses and additional costs directly attributable to the change in postal regulations.

The measures taken by the federal government and the Post Office Department and approved by the Senate constituted for a newspaper such as ours a grave source of injustice:

(a) They express an excessive preference on the part of federal authorities for radio and television at the expense of the press, although fundamentally, the role performed by the two media is the same;

(b) They reflect a total inexcusable insensitivity to the implications of the concentration of ownership which is now taking place in the press sector;

(c) In the case of *Le Devoir*, they forced us to devote to extraneous purposes the fruits of an effort in administrative rationalization which, for the first time this year, would have held out the prospect of reasonable and regular surpluses and, consequently, of substantial improvements in the quality and competitive position of our product;

(d) If *Le Devoir* had not been so hard hit by this abrupt change of system, it would probably have been in a position, for the first time this year, to pay taxes to the federal government, the amount of which would probably have equalled what Ottawa is now extracting from us in the form of higher costs for volume of business, that is lower even for the Post Office Department.

In fact, any small surpluses we have been able to amass in the last few years have had to be used to redeem previous losses and to bring up to date a number of items on our books that had become dormant. This year, for the first time, we would have been in a position to pay regular taxes. If Mr. Benson is not happy, he will have to take the matter up with Mr. Kierans and with Parliament.

In the light of such facts as I have mentioned, it seems to me unrealistic and artificial to seek to argue as if informational and governmental activities still constituted two separate fields completely fenced off from one another. The state is already deeply involved in the information field; for proof, we need look no farther than that vast undertaking which is provided with infinitely greater resources than any agency in the private sector, and which is known as the CBC. Furthermore, the fiscal measures that the state adopts or refrains from adopting influence the quality of freedom in this sector. Not only that, but the public authorities have been appointed the ultimate guardians of the citi-

zen's fundamental freedoms and wherever these are poorly served or threatened, it is their duty to step in.

In this respect, the first step is obviously an objective and impartial examination of the facts. The inquiry your Committee is conducting is the first of its kind to be made in a very long time. I am wondering whether the public authorities would not find it to their advantage to equip themselves with more permanent facilities for obtaining information on this subject

Once inquiries have been conducted, it will doubtless be necessary to plan positive action. I am not one of those who believe that the public authorities should close their eyes and sit back with their arms folded. Nor do I agree with those who believe the public authorities should permit the gradual decay and disappearance of the small newspapers that try to maintain some semblance of meaningful competition and diversity in the communications field. It seems to me that daily newspapers, utterly essential as they are to the development of our national life, should be regarded as a kind of "property in the public interest"—not in the sense that they should pass under state ownership and control, but in the sense that they should be granted special attention by the state, and that it should not be permissible to dispose of them without the authorities being duly informed of all the implications. The principle behind this suggestion has already been recognized in a federal act, passed a few years ago, that requires the ownership of daily newspapers to remain in the hands of Canadian citizens. But this measure would be quite meaningless were it not accompanied by provisions designed to ensure that Canadian ownership of newspapers will serve only to increase Canadians' real freedom in the field of information. If I had to choose between the availability of a single newspaper owned by a Canadian monopoly, and access to two newspapers, one Canadian-owned and one American-owned, I would not have the slightest hesitation in preferring a choice between two newspapers to one alone.

The public authorities should recognize—but I would prefer it to be between two Canadian-owned newspapers—the public authorities should recognize that in the supplying of certain community services, they have a special responsibility towards daily newspapers, especially towards modest non-profitmaking papers. By depriving dailies of

Saturday mail deliveries, the federal government has dealt a severe blow not only to the freedom of the press, but also to the right of every sector of economic and professional activity to be served on a proportionally equal basis by the state in fields for which the state assumes immediate responsibility. I also feel that by making exorbitant increases in mail delivery rates, Parliament has dealt a hard blow to small papers which are forced to use this method of delivery more than the larger papers because they do not have the means to initiate a car delivery service, since this is very expensive and requires a much bigger circulation than they can command. The federal government should seek to correct at once the tremendous harm it has already done to numerous worthwhile—not to say essential—Canadian publications. The method of government that proceeds from the assumption that it is necessary to treat everyone, large and small, on a strictly equal footing, inevitably leads to domination of the small by the large and the gradual elimination of the former.

The state should require strict compliance by newspaper managements with the obligation to disclose details of their capital structure, the names of directors—the text reads “those directed”, but as you will have guessed, that is a typographical error—the individuals or groups who actually have control, the main particulars of transactions involving a change in control, subsidiaries, branches and parent companies, balance sheets and financial statements, etc. This obligation stems from the concept of “property in the public interest” mentioned above.

Finally, it might be appropriate to do in Canada what has recently been done in Sweden, and appoint one or more press ombudsmen. Such officials’ duties might be, first, to study any grievance brought to their attention by members of the public or the press relative to a presumed violation of the freedom of the press; second, to lay before the appropriate authorities and the public all relevant information concerning transactions that involve changes in the control of daily newspapers.

Earlier in this paper, I mentioned the question of a press council. We shall be able to discuss that shortly.

Lastly, I wonder whether the state will not be prompted in the future to give serious consideration to the possibility of helping to supply certain technical services that are

required in the publication and distribution of newspapers.

I am going to present you with some facts, Mr. Chairman. Two and a half years ago, all the machinery used in turning out our newspaper needed replacing, but we didn’t have the funds to do it. We decided to hand over this part of the operation, in its entirety, to an independent firm that offered to perform the service on what we considered reasonable terms. So we went ahead with it, but at the end of the summer, this firm’s management informed us that circumstances were forcing them to sell control to another morning paper with which we are in competition. I should point out that in this field, you do not have fifteen possibilities to choose from in Montreal; you have two or three firms, at most, which can offer a service with the necessary speed and quality. This means that we could quite easily... supposing that Mr. Péladeau, who has been very kind so far, were to be less pleasant beginning next week, he could practically...

Senator Beaubien: He prints your newspaper?

Mr. Ryan: Yes, he is the one who acquired control of the printing works. He could put us in a difficult position overnight. We are eating in his hands in a certain way. We pay our bills regularly, therefore we have no cause for embarrassment in our relations with him. But suppose he decided to take a little less interest in the printing works, and to appoint a manager who was less efficient; there are fifty different ways in which a competitor can damage another man’s business.

This shows you how concentration occurs without there necessarily being any evil conspiracy; there is a kind of impetus, a very real economic force that brings it about.

Senator Beaubien: You do not have much choice. You cannot go to the *Star* or the *Gazette*.

Mr. Ryan: No, no, there are completely different production requirements that make it wellnigh impossible.

Finally, it is this that leads me to wonder whether the provision of such services could not possibly be handled by co-operatives with a certain amount of state assistance—for example, low-interest loans—co-operative production and delivery services, set up through the combined efforts of various newspapers in conjunction with the state.

It will doubtless be advisable to re-examine existing law regarding cartels and monopolies in order to see whether the time has come to redefine some of its concepts, having in mind the problems we have in the information field.

Mr. Chairman, I shall be very happy to supply you, within a few... within a week or two, with a list of problems that your Committee might examine, if you think it would be of interest.

Thank you very much, and excuse me for taking so much of your time.

The Chairman: Thank you very much.

The Chairman: Well, we are most interested. Thank you very much.

I understand that the questions from our Committee will be acceptable in either language because some of the Senators, I know, would find it easier to ask in English.

Mr. Ryan: Yes, that is fine.

The Chairman: Well, I think Senator Smith?

Senator Smith: I am very glad that you will accept a question from one who has to struggle pretty hard to make himself understood in the French language.

Senator Beaubien: Say it in French!

Senator Smith: Yes, I know quite a bit about Mr. Ryan, and I have been favoured by his spoken wisdom on a number of other occasions. And I am sure that the members and others who may be here tonight who have never been exposed to your spoken wisdom before appreciate your presence very much as we as members of the Committee do.

In fact this could be regarded as an attractive live presentation of one of your rather famous signed editorials.

I was making some enquiries about the newspaper that you publish and in which you write editorials. Someone referred to it as an institution with intellectual readership. I thought that was a very complimentary reference to a newspaper, and the more I learn about your operation from yourself I can understand just what they meant.

It has also been indicated to me that its disappearance in Quebec would be a very major blow to French Canada. And I think, as my colleague Senator Beaubien says, it is unthinkable. And I am sure we all hope very

hard that it will never happen and you will have another 60 years of real success.

One of the subjects that I rather hoped that you would touch on you started out by mentioning almost in the beginning, when you referred to freedom of the press. We have been discussing freedom of the press in other hearings and it received a lot of attention yesterday when we had representations from the Canadian Daily Newspapers Publishers' Association. And there are many facets to it.

You spent a little time in indicating the economic pressure that results from the concentration of ownership in the press. And this is something, of course, that must worry everyone very much.

Is there another area, though, in which freedom of the press is being lost through the kind of operation that may exist in chains or some of these group ownerships and these combinations of dailies-plus-weeklies with respect to the freedom that is given to the editors of those individual newspapers to express opinions and so on? What is your observation on that? Could you help us?

Mr. Ryan: I should like to be complemented by my colleague Mr. Roy. He has something to say in this respect. He has been very active in the professional side of journalism activities in the Province of Quebec, and I am sure he can add very usefully to the observations that I may make myself.

I am thinking of one newspaper which appears on a weekly basis in the city in which I live. This paper is a great success financially. From a professional point of view it means very little. It operates on the basis of the services offered by "stringers." These are men who generally work with a daily newspaper and enjoy favourable conditions of work, pay and other benefits because they are unionized.

Then they go and work on Saturdays for this paper at conditions which are cheaper than the ones they insist upon getting when they deal with us in our capacity as regular employers.

Well, I think this is the kind of competition that is throat-cutting.

You have no regulations in this particular field. These journalists cannot be unionized a second time in their capacity as part-time workers.

Senator Beaubien: The union does not forbid it.

Mr. Ryan: No. I know the union has been discussing this matter, but they have not been able to arrive at any conclusions because these men are also members of the union, and some of them would certainly object to stringent measures being contemplated by the union.

Well, it is a difficult situation. I don't think that intellectually they add up to very much on the whole.

I am not speaking about a leading newspaper like "La Presse" in Montreal. I think "La Presse" has been striving not only to maintain but to improve its professional standards.

But you probably read—you must have read "Le Devoir" if you were to see this. But they are now talking about inciting their journalists aged fifty-five years to go into retirement at that early age. That apparently was negotiated by the union.

I am not informed of all the details of this matter, but I enquired when this was brought to my attention about whether these journalists would accept to go into retirement at more favourable conditions than they would have got at sixty-five, if they were going to be replaced. Because that was the crux of the matter.

They were not going to be replaced. And the union had settled for 15 or 20 jobs less than they had before. I wonder if it is a good deal.

But it is part of the predominance of the economic aspect of the operation. They must have felt they have got to get rid of so much per cent of their personnel at any cost, and they hit upon those who have the weakest defence, the fifty-five-year-old members of the staff.

I think this is absolutely unacceptable from a social point of view. But we would not do that in an organization like ours. You could not do it in the government, whatever the Prime Minister may say in this respect. It would be a far more difficult practice. And I think from a human point of view it is unacceptable.

Senator Beaubien: What would they get if they retired at fifty-five? Qu'est-ce qu'ils auraient comme pension? [What pension would they get?]

Mr. Ryan: I don't have all the details. It is bound to vary with the number of years of service that each one has at his credit.

Senator Smith: Mr. Ryan, could I enquire from you why it is that... I understand the newspapers in France and the newspapers (I know yours is one for sure) have signed editorials. Why is that done? Is that connected up to freedom of the press, that the editor has the right and the responsibility of taking whatever line he wants to take in expressing himself?

Mr. Ryan: I think there are two great schools of journalism, each one of which is perfectly valid and has its own advantages and inconveniences.

The English school relies upon unsigned editorials.

I would be a stupid person if I were going to maintain here that "The Economist" for instance is a cheap publication. It never carries a signed article. It happens about once every ten years when an editor retires. "The Economist" is a publication for which I have great respect, which I read with great profit week after week. It is not signed.

The two "Times" do not carry signed editorials. I think they are very good. "The Globe and Mail" is a paper for which I have great respect editorially speaking. Their editorials are not signed.

This policy offers the advantage of presenting to the public a point of view worked out by a team, not only by a single individual. It is the point of view of "The Globe and Mail" that goes into print. If that publisher has too much direct authority over the editorial content, it may be the point of view of the publisher and put into writing by two or three slaves at his immediate disposal.

But supposing normal circumstances I think you can have the point of view of a team presented in the form of unsigned editorials published under the responsibility of this or that newspaper.

I have great respect for this formula. I think it applies perhaps best to the English temperament.

Senator Smith: Yes.

Mr. Ryan: But it could apply with equal profit to some newspapers published in France and the Province of Quebec.

Some papers have adopted the practice of carrying signed editorials. If you are to have signed editorials you have got to have people who can afford to sign articles day after day during a respectable length of time. And this is awfully difficult. Awfully difficult.

And furthermore this practice tends to encourage individualism. It tends to carry individualism to certain extreme forms which may not be ideal. But, on the other hand, it offers some individuals a unique opportunity of presenting their point of view to the public day after day, week after week, year after year; of getting acquainted with their public; of giving their public a chance to know them also.

It establishes a live conversation, a continuing conversation between the public and the authors of those articles. It makes for a more genuine atmosphere of communication, conversation, exchange, than the other formula.

But I would not suggest that it can be generalized. I would suggest that the first condition is that you have people who can carry this role long enough.

I had not thought it was so difficult before I joined "Le Devoir." When Mr. Filion invited me to join "Le Devoir" back in 1961 I was assured that I would have the most comfortable life that I had ever had. I was assured that writing three or four pieces a week would be a very easy job for me and I could afford lots of time for radio, television, appearances, speeches in different parts of the country.

Of this I have had my share since I joined "Le Devoir." But I can assure you you have to work terrifically hard in order to keep pace with the expectations of the kind of intellectually developing public and politically more and more conscious public that we have in the Province of Quebec.

So the two methods are founded on a long and respectable tradition. Each has its advantages. Each has its limitations. And, if I were asked to opt between the two, I would be thankful to God for having had the chance to experience the first one; but I would not say no to a chance with the second one.

Senator Smith: Mr. Ryan, you made some interesting remarks about the French service provided by Canadian Press.

We have had Canadian Press here already. It was a very interesting discussion. I do take it that there is almost a two-solitudes situation in the Province of Quebec; in other words, a gap between the English availability of news in a form it can be published and the availability of that same news but in a French version.

Has this weakness developed because of a translation service only of English-written

stories, in which case of course we would assume that there is no re-write by a thoroughly French-speaking person of the story concerned? What is the weakness there, would you say?

Mr. Ryan: Well, I think the basic weakness is one of personnel and resources.

Senator Smith: Resources.

Mr. Ryan: If they could apply to the job of presenting the French news in the spirit in which it occurs to the Canadian public in general—if they could apply to this job the same resources that they apply to covering the English-Canadian scene and presenting it to the English-Canadian public, I believe there would be no problem of major importance.

But as of now the resources that are available for the first job are much greater than those that are available for the second job.

We have a problem. We belong to C.P. for instance. We have belonged to C.P. since 1910, by the way. And I am at present a member of the Board of Directors of Canadian Press. I don't want to play the role of a traitor here tonight! These are problems we have discussed time and again at meetings of the Board of Directors.

We even had a Committee which studied this matter in depth for the second or third time about a couple of years ago. And the Committee arrived at the conclusion that we must have one more man in Quebec, one more man in Ottawa, and perhaps a part-time correspondent somewhere around Paris—part-time. I insist upon this.

That was no solution to the problem when C.P. has 12 or 13 men covering the parliamentary scene.

Even if you have three French-speaking correspondents instead of two, it does not change much. And what happens is that the limited number of French correspondents must be extremely selective in the material which they decide to write daily.

But then we look at the much more abundant material that comes to us on the English wires of C.P. and most of the time we have got to develop our own original piece out of this much more elaborate material which comes in as a rule earlier than the other.

Senator Smith: Yes.

Senator Beaubien: Mr. Ryan, there has been quite an improvement, though, has there not, really, in the last five or six years?

Mr. Ryan: There has been an improvement, but I would not like you to be led into complacency in this respect.

Senator Beaubien: No, no, but it has been though?

Senator Prowse: There is still room for more.

Senator Smith: I just have one final question—for now, anyway. I would be very interested in Mr. Ryan's views, because he probably reads a lot of other newspapers and a lot of English language newspapers.

What is your opinion of the kind of reporting of the Quebec news which we read in our English-speaking dailies? Do you think that Quebec events are reported as fairly as they should be, without exaggeration, in the kind of style that I know you yourself would approve?

Have you views on it you would like to express?

Mr. Ryan: There are two aspects to this problem which I must treat separately. You could also ask me about the Quebec coverage of the overall Canadian scene. I think this is a complementary question that goes with the first one.

Senator Smith: That is right. I agree.

Mr. Ryan: Regarding the first question, I think one must make a distinction between the Toronto daily newspapers and the other newspapers of the country. I think the Toronto papers have been doing on the whole an excellent job in the last few years. I think they have applied great resources to the study in dept of the situation in Quebec.

I do not claim that they have always arrived at the kind of understanding and approach that I would have liked to see in those papers, because it might have been a little too close to our own approach, you know. But from a professional point of view I must recognize that they did a very respectable job, and are still doing a very good job.

This was made possible because they had, both in Quebec and Montreal, men working on a full time basis with an insight into the problems of Quebec and being in a position to see from a very, very close angle the reactions of the people and the kind of things that were developing.

So they may have stressed this or that particular event too much and this or that particular occasion. I don't know of many newspapers which have not sinned time and again in this respect. This is the kind of thing for which we have to give pardon day after day. But on the whole I must say they did a fine job.

I do not think that many other papers of Canada have gone into the trouble of sending members of their staff on the spot. They have relied on articles written by staff members of the Canadian Press or on articles written by correspondents for this or that particular chain.

I am thinking of very well known correspondents who enjoy a national reputation. They never come to Quebec for serious journalistic work, you know. They speak on the national networks time and again. But their contact with the Quebec scene are extremely limited. They speak exclusively from the kind of vision they can get in Ottawa, which is not sufficient. Even reading "Le Devoir" from Ottawa is far from sufficient.

But I would make an exception of the three Toronto daily newspapers. And these three papers have been competing with one another in this respect in a remarkable way. And we have enjoyed a cordial and friendly relationship with each one of the three.

We have collaborated with them on several occasions. And there is a very frequent exchange of information and impressions between them and ourselves which is profitable to the two sides, I believe.

But the rest of the daily press of the country remains more cut off from the real scene.

The Chairman: Would the rest of the papers in the country—I am sure they would argue, but would there be any legitimacy in the argument that this is because of a cost factor, that it would cost them a great deal of money to cover Quebec?

Mr. Ryan: They would certainly invoke this argument.

The Chairman: Yes, of course. I am wondering, with legitimacy?

Mr. Ryan: But, you see, a newspaper which really wants to dig some stuff out of any place in the world can find all sorts of means to arrive at this objective.

We had two or three pieces interpreting the electoral result in British Columbia last

summer, for instance. Two of them were written by academics from British Columbia who gave us a very interesting—two different interpretations of what had happened.

We had another piece by a leading historian of Toronto, who writes a regular column in our newspaper, at our invitation. And I think we presented a fair interpretation of what went on there.

We discussed, Mr. Roy and myself, the possibility of his going to B.C. at the time to cover the election. And we came within a hair of having our man there. It is because we had a lot of other things happening at the same time that we had to give up on this project. But we had made our decision to go.

So I would not accept this argument in whole, you know. I would accept it in part, but in whole I don't think...

The Chairman: It could be a benefit.

Senator Smith: Well, thank you very much for your very straight answers.

The Chairman: You were going to deal with the second part.

Mr. Ryan: There was a second question which I raised myself.

Senator Smith: Oh, yes, the other side. I would like to hear that too.

Mr. Ryan: I think the French press of Quebec has not been doing all that they could have done in order to interpret to their own public the developments and opinions of the other part of Canada.

On the whole I think French language daily newspapers in Quebec have covered some electoral campaigns—Trudeau, for instance, got a fair coverage all over the country from several dailies in the Province of Quebec last year from his electoral campaign. And so did Stanfield.

I think we started this in the previous campaign, you remember, when we began sending correspondents to Nova Scotia, New Brunswick, Western Ontario, the Prairies, and even British Columbia.

We had decided that we would stop covering the campaign through the material that came in via the wires. We decided to send men—and a woman that we had at that time on the staff—on the spot. And they did an excellent job.

And I think the practice has now settled in French language dailies that they must have men on the spot when a national electoral campaign is on.

But if we except this particular occurrence I think, the coverage of the Canadian scene has left much to be desired.

Not a single French language paper has a full time representative in Toronto, for instance, except for advertising, revenue-raising purposes.

There they have the practical instinct that is required; but for news-gathering none has thought it might be advisable to have a full time correspondent in Toronto.

We have had all over the years academics, journalists, responsible people, who accepted to write pieces upon invitation from us. This has been going on all the time. And it has increased considerably in the last few years. But we just do not have the money to have a full time man west of Ottawa.

The Chairman: If my memory serves me correctly, you spoke in Toronto either in February or March at the National Newspaper Awards dinner and you made this very point. I am wondering if there has been any change. That is now eight or nine months. Has there been any change in the situation?

Mr. Ryan: No, not to my knowledge.

The Chairman: None at all?

Mr. Ryan: No.

Mr. Fortier: Mr. Ryan, I wonder if you could explain the corporate structure of your newspaper to us in a little more detail? I heard you read the first page of your brief, and I still have some questions on my mind. Could you please endeavour to enlighten us on this point?

Mr. Ryan: Mr. Chairman, Mr. Fortier is going to force me to confess publicly a sin of omission for which I would never be forgiven where I come from.

Le Devoir was incorporated many years ago under the federal Companies Act, and even though our convictions would have prompted us to have the incorporation transferred to Quebec provincial authority, we have not found time in the last ten years or so to make the change—which shows that it is probably not our first priority.

Senator Beaubien: It has not yet been done?

Mr. Ryan: No. Having said that *Le Devoir* is incorporated, I shall leave some papers for you—I knew the legal adviser would ask that question—and I shall leave you the letters patent and the by-laws.

In any case, I am now going to explain the legal structure briefly.

We are incorporated under the federal Companies Act, not as a non-profit making concern, but as an ordinary business. There are also two trust deeds attached to the company charter that ensure the special structure and the non-profit character of the newspaper. These two trust deeds consisted of transfers of shares that had belonged, during the early days, to the founding editor of the paper, Henri Bourassa, and which were to be passed on to his successor, and to his successors.

Mr. Fortier: Yes.

Mr. Ryan: Now, the deeds provide that a majority of the total shares outstanding and authorized, even if not issued, be controlled by a board of trustees consisting of three members, which is associated with the board of directors. We have approximately 800 ordinary shareholders—800 shareholders.

Mr. Fortier: Could we be told who the shareholders are?

Senator Beaubien: Are there still eight-hundred?

Mr. Ryan: Yes, 800—because they cannot buy each other out. Whenever there is a change of publisher, Mr. Chairman, there are a number who would like to sell their holdings, but as we cannot buy shares ourselves, we do not always find the necessary buyers easily because they are afraid the yield will not be satisfactory; in fact, we have paid dividends only twice in sixty years—this was under the present management, but the reasons were quite independent of the administrative abilities of the editor.

Mr. Fortier: What did it depend on?

Mr. Ryan: There had been a strike at one of our major competitors, which brought money flowing in to us like water and taught us something we did not know: that it is very easy, when there is no competition—as is the case with *The Globe and Mail* in Toronto—to just let the money roll in. When you have five papers cutting each other's throats all the year round—well, it is more difficult. There

are five of us putting out morning papers in Montreal; this is a point to remember.

So, to return to the question—we have 800 shareholders who hold, let us say, 40 per cent of all outstanding shares. The other shares are in the hands of two groups of trustees, both composed of the same people; they hold at least 60 per cent of the shares at present. These three trustees join with the members of the board of directors to appoint a publisher; when the publisher is appointed, he is automatically authorized to vote his shares at any ordinary or special meeting of the shareholders, which means that he chooses his own board of directors. He makes the decisions himself at the general meeting, doing his best to leave the shareholders with the impression that it is they who make the decisions—and that is how the organization functions; he cannot be removed during his term of office.

In the case of the previous publishers—there have been three of them—they were appointed for life, that is, with no time limit. In the case of the present publisher, however, a 10-year time limit was set, since they did not want him to become an encumbrance for the paper when he had ceased to perform at his best and, secondly, they wanted to give him time enough to get through the terms of office of at least two political régimes.

Mr. Fortier: Were you expecting two political régimes?

Mr. Ryan: But throughout this period, of course, the publisher enjoys a very broad freedom. He does not have the right to use his shares for personal purposes; he does not have the right to pass them on to his heirs; he does not have the right to sell them personally if he resigns.

Mr. Fortier: Even if he was able to find a buyer?

Mr. Ryan: No; that is, they are held in trust by the board of trustees; thus, he does not hold them in a physical sense.

Mr. Fortier: No.

Mr. Ryan: Consequently, he cannot dispose of them through the market, even if he should wish to.

What I was about to add is that while he does have these powers, he cannot behave in an arbitrary manner in running a business that is still financially weak; he needs a very

strong board of directors, capable of taking some responsibility should the financial position become more difficult, but which has absolutely nothing to do with the editorial side of the newspaper's activities. The written content of the paper is under the complete authority of the publisher who may share his authority with assistants—even with the union, if he thinks it necessary. There is a real sharing of responsibility in our organization; it is not as complete as everyone would like, but in any case, we are looking into that aspect. As for the board of directors, we have a fairly strong board made up of representatives of institutions whose outlook is much like that of *Le Devoir*. For example, the president of the *Société des Artisans Canadiens Français*; The president of Laurentian Life Insurance; the General Manager of the *Fédération des Caisses populaires Desjardins*; the General Manager of another French-Canadian general insurance group; these financial institutions have something of a community character, and if our position became difficult, they could come to our assistance; but we are not dependent on them in any way, even financially.

Mr. Fortier: Mr. Ryan, mention has already been made of communications media, both written and electronic, that belong to the Establishment. After hearing you speak of the people who sit on your board of directors, I cannot help asking you whether this would be an appropriate question: are the people on *Le Devoir's* board of directors not members of the French-Canadian Establishment?

Mr. Ryan: That's a good question, indeed, and I have to reply in the affirmative, to some extent. If it is felt that the General Manager of the *Fédération des Caisses populaires* is a member of the French-Canadian Establishment, I am very proud to have him with us, since I consider that he contributes, both personally and through the activities of the movement to which he belongs, to the democratization of the economy; I am very happy to have him with us.

The president of the *Société des Artisans* heads an enterprise that is co-operative, rather than capitalist, in nature. As a result, he is obviously right at home with us. We also have an officer of an insurance company that is strictly capitalistic—we are not anti-capitalists, we believe there is room for private enterprise. We have one of the senior officers of the largest French-Canadian gener-

al life-insurance company—the Commerce group from St. Hyacinthe—and we are very glad to have him. We also have the treasurer of the Catholic Farmers' Union, another very important movement that covers the whole province. We had Mr. Jean Marchand for a few years, until he went into politics, and we were very pleased to have him, too.

I think this might truthfully be called an establishment, but the term would have a completely different meaning from the one it has when applied to the Bay or St. James Street establishments, or persons who have their offices on St. James Street; even if these people did, it would mean nothing.

I don't know whether that is where you have your own office, Mr. Fortier?

Senator Beaubien: It's bigger than that.

Mr. Ryan: Yes, it's bigger than that, I know.

Mr. Fortier: But are you faced with any particular problem today, where *Le Devoir* is concerned, as regards death duties payable in the event of the death of one of the beneficiaries you just mentioned?

Mr. Ryan: I can tell you that we have never looked into that question, because if one of the trustees, directors or officers dies or disappears, I think that what is left to those who remain is more likely to be a mortgage than anything else.

Mr. Fortier: You are speaking mainly of the beneficiaries, of course—the beneficiaries of these trusts?

Mr. Ryan: No; if there are any surpluses, they have to go to press or charitable undertakings.

Mr. Fortier: Oh.

Mr. Ryan: That is, non-profit press or charitable undertakings.

Mr. Fortier: Because there are a number of small ones, relatively speaking?

Mr. Ryan: The only people who can receive profits from *Le Devoir* are the shareholders of whom I just spoke—the ordinary shareholders, those in the 40-per-cent group. Frankly, where they are concerned, we are embarrassed at not having been able to pay them dividends more often; we are convinced that they should be given one. We have some loans on which we pay 6, 6½ or 6½ per cent—

that is, we were able to borrow at low rates—the loans were made by companies friendly to us, among those I mentioned just now, and we are therefore at an advantage; I say to myself: if we could pay 6 per cent interest on the money we borrow from *Les Artisans*, I do not see why the same rate should not be paid on the money invested by an ordinary citizen with much smaller resources. But apart from that, the entire portion that is under the control of the trustees, if dividends or profits arise...

Senator Beaubien: The 60-per-cent group?

Mr. Ryan: Yes. If profits or dividends arise, they have to go to charitable or press undertakings.

Mr. Fortier: Mr. Ryan, do these 800 shareholders represent a cross-section of the population of Quebec or rather, I should say, of Montreal?

Mr. Ryan: Not of the entire population of Quebec to be frank with you, I made a study of the composition of the shareholder groups about two or three years ago, and there have not been many changes since. In the main, they represent what I would call the French-Canadian middle class: a lot of civil servants, teachers and professional people; a good many clergymen, too. In the beginning, in the early years of *Le Devoir's* existence, the first 25 years, the newspaper received wholehearted support from the clergy: many bought shares during those years and have kept them, and some have died and passed them on to other priests, who still hold them. Many are minor, anonymous nationalists, members of various societies—a small co-operative, a *caisse populaire*—who heard about *Le Devoir* at some time or other and bought one, two or three shares; the average number of shares held by each shareholder was about two.

Mr. Fortier: Does the St. Jean Baptiste Society hold any?

Mr. Ryan: You know, I think they have one or two. Mr. Kierans bought ten—in his good years.

Mr. Fortier: Did he keep them?

Mr. Ryan: He didn't dare ask to have them redeemed—I think he would let them go, too; as for us, we did not dare ask him to let us have them back.

Senator Beaubien: Is there a market for them, Mr. Ryan?

Mr. Ryan: No, there is no market for them. We want to create one, because there are people who took shares in a moment of enthusiasm, but this has not happened for the last few years; Mr. Kierans took some, but not because he was carried away; he could afford to—it did not present any risk for him.

But once there were people who bought 10 or 15 shares because they wanted to encourage the development of nationalism and patriotism, of Christian or trade-union values, or what have you. After that, they get to the point where they wish to marry, or buy a house, and then they would like to get back the price of the shares; they think this can be done as easily as drawing money out of the bank. However, it is often necessary to wait, and on occasion we have been responsible for delayed marriages. But the stories about our shares have become a part of folklore, Mr. Senator, nothing else. Consequently, there is no real market; that is the only kind of money that comes after our shares.

Mr. Fortier: Is *Le Devoir* financed partly out of subscriptions and partly out of advertising revenue?

Mr. Ryan: I believe that I have brought statements for the last financial year—I will leave a copy with you.

Mr. Fortier: You may table it.

Mr. Ryan: Very well, Mr. Chairman.

Mr. Fortier: Could you summarize it for us briefly?

Mr. Ryan: Yes, I'll give you a brief resumé, of course don't worry, I am not going to read to you all the financial statements.

During the 1968 fiscal year, our newspaper's revenues amounted to approximately 2 million; sales of the paper contributed \$919,000, or about 45 or 46 per cent. Sales of advertising brought in \$1,115,000, or roughly 54 or 55 per cent, and various other items such as microfilms, copies of an index we are selling of all the articles that have appeared in *Le Devoir*, earned income of \$12,000. That was the entire revenue for last financial year.

The ratios would be much the same for the current year. For the current year—last year—if you are interested, we declared a loss of \$22,490.

Senator Beaubien: Was there much depreciation?

Mr. Ryan: No, depreciation was an item not included when we spoke of operating losses. We did have a sizable loss under the heading of depreciation the year before, but that was because we closed our workshop; the loss there was \$150,000. However, last year's operating loss of \$22,000 was primarily attributable to the fact that we completely changed our production method: the paper was completely printed and shipped by an outside firm. It was a period of adjustment—we had to pay fairly high termination allowances to employees whom we had to lay off as a result of the administrative re-organization of which I spoke. Consequently, it was a year in which we lost money. This year, we don't know yet how we fared.

Senator Beaubien: Was that in 1969 or in 1968?

Mr. Ryan: In 1968; what I just gave you was 1968. In 1969, Mr. Chairman, we had completely re-organized and rid ourselves of a bunch of problems; I believe we would have had a considerable surplus, meaning on the order of, say, 4 per cent of the turnover; however, all that will be eaten up this year by the losses which I mentioned earlier, so we are right back where we started. But that may be one of the characteristics of this paper: providence never intended it to become rich or well off; when it took steps to do so, the government saw that it was brought back to the familiar paths of austerity.

Mr. Fortier: Thank you, Mr. Ryan; we shall be able to examine them in detail.

A moment ago, you spoke of the competition you have met in Montreal from other morning papers. Could I ask you this: who is your top competitor? Is it another paper, or is it radio, or is it television?

Mr. Ryan: No, I believe that our immediate competitors are the other morning papers. Where advertising is concerned, we find radio and television to be tough competitors that take away revenue in which we would normally share, but this is not the major problem. We have in Montreal—I mentioned earlier that we have five daily newspapers, but I should have said four: one English-language paper and three French. The *Gazette* has many French-Canadian readers, some of whom also read *Le Devoir*; some people read two morning papers, not just one; some prefer *The Gazette* to *Le Devoir* because they

find better financial information, among other things. That is one of the main reasons why many French-Canadians stick to *The Gazette*. We also publish financial news in *Le Devoir* but it is rather limited because we have only one man to cover that section, whereas the *Gazette* can assign, I am not sure of the number, but perhaps as many as three.

The other two French-language dailies give us tough competition as well but they do not reach exactly the same public; however, the fight goes on for the public that lies between the two; they want to expand their readership by winning over part of *Le Devoir's*, and we try to do the same by attracting some of their readers. We are at a disadvantage there, because both these papers have ample funds to spend on television and radio advertising. Both are engaged in very costly publicity campaigns, whereas we have no money for this purpose: we did not make a single broadcast, or even a spot announcement during 1969, because we simply could not afford it. Consequently, ours is a paper without marketing power, because its only selling job is done by the "whispering power" of those who read it and are satisfied.

Mr. Fortier: During the last 10 years, has your circulation increased considerably, or has it remained stable?

Mr. Ryan: Some ten years ago, it was about 36 or 37,000. At present, it is just a bit above 40,000; at one time it went up to 42 or 43,000, but it has fallen off now, particularly owing to the factors of which I spoke earlier.

Mr. Fortier: In order to remain, or rather, in order to become economically healthy, what circulation would you like to have?

Mr. Ryan: Well, among ourselves we say that we should have at least 60,000.

Senator Beaubien: 60,000?

Mr. Ryan: Yes, 60,000. Now then, I do not claim that we would be perfectly healthy at 60,000; we would have to put out a much more complete paper than we do today, and costs would be higher, but I believe that we would be better situated from all points of view: advertising revenue would be higher, as would income from circulation; we would have a greater variety of resources; I believe that would make a big difference.

Mr. Fortier: If your paper were to receive an anonymous gift tomorrow of, say, \$1 million, what would you do to improve your paper?

Mr. Ryan: I would not make the decision alone whether to accept that gift, Mr. Fortier, because I have had a theory ever since I came to *Le Devoir*: it is that the money which makes us happy is that which comes from our work, provided our work is not hindered in any inhuman manner, or abused by the public authorities or by competitors.

Mr. Fortier: Or, supposing you earned a million?

Mr. Ryan: Well, I believe that I would invest a large part of it; I am going to be frank with you: at our paper, we have only two editors for the sports pages; if you take into account leaves, absences for vacations, and so on, that means we have only one editor for close to half the year, whereas it would take at least three or four to do a reasonably decent job.

We have had only one man in the financial section in more than 20 years; we should have at least two.

In the general news section, we have some ten full-time journalists at present, but we ought to have at least fifteen. Whereas we have always had just one correspondent in Quebec, we now have two: we decided to add a second, this fall, because it was absolutely impossible for one person to keep up. We have always kept one man in Ottawa; for the last couple of months we have had none, but we will have one again, soon; we are unable to put two men here, although the needs would justify assigning two correspondents for *Le Devoir* to Ottawa.

Therefore, we would begin by improving that situation, because the thing which has kept *Le Devoir* going until now, and which should be developed in the future, is the quality of its services. But at the same time, the number of pages would have to be increased. Each page which we publish every day costs somewhere between \$125. and \$150 in direct costs. And so, using that money, I would go ahead and add another two pages to the space we now fill in an attempt to improve the business; we would need to try a bit of advertising as well because two years ago, when we had a month-long but very modest publicity campaign on radio and television, we noticed that it brought us several hundred new subscribers who telephoned directly to the paper—these were people who had heard our advertisement the previous night giving them the telephone number that they could call; they phoned the

paper and our incoming lines were very busy in the weeks during and after that publicity campaign.

Mr. Fortier: Would you also send correspondents to other parts of the world?

Mr. Ryan: Yes, I would. Let me tell you what happens: we have a lady correspondent in Paris who is quite a remarkable person, but we have made inhuman demands on her during the last few weeks; she wrote me just yesterday and said, "I notice that working for you does not pay too well". She went to report on events in Ireland, and her accounts were the best published in the entire Canadian press. She also covered the conventions of both British political parties—Labour and Conservative—and turned in excellent reports.

Mr. Fortier: Does she speak both languages?

Mr. Ryan: Oh yes; then, she wanted to go to Lebanon during the crisis there, but we had a first-rate man who gave us a series of articles—again, the best published in Canada on Lebanon. I told him: "This time, you must cover the Israel side—you will give me much information from the Arab world, but it is time we reviewed the situation in Israel, which we have not looked into for years". He wrote back and expressed enthusiasm, but said that he would require a budget of between \$1,000 and \$1,500 in order to carry out the project. If I had the money, we would hire this man on a permanent basis to cover Western Europe or, when needed, the Mediterranean area; he is a tremendous fellow.

It would also be a great advantage, as I mentioned earlier, to have someone permanently west of Ottawa. I would not tie him down exclusively in Toronto, but I would have a correspondent west of Ottawa with a certain amount of freedom to move about. There should also be more frequent trips into the Maritimes. These are all things in which we are immensely interested, and for which we do not always have the necessary funds.

There is one thing that I should add with respect to the gift; the idea intrigued me, but I am going to describe the policy I have followed for some years. If often happens that readers write me as a result of an article, a position taken by the paper, or something they have heard, and later they may send us a cheque for perhaps \$100, \$200, or \$500, to be used for the purposes of *Le Devoir*. For at

least five years, I have returned all such gifts to the donors. I point out that there are still a few shares available if they would like to buy an interest in *Le Devoir*, and that this would entitle them to receive financial statements and attend general meetings. But there are donors, as you may know, who give you \$100 and imagine that they have acquired every conceivable right; from then on, they will send you all sorts of texts for publication in the paper, and rake you over the coals at public meetings, claiming that they have supported *Le Devoir* for 25 years—a hundred dollars doesn't pay for that.

Senator Beaubien: His cheque will not be accepted?

Mr. Ryan: No.

The Chairman: Could I turn for a moment or two to some of the comments you made concentration in the course of your remarks? There is one thing I was interested in, something that I don't think you said. You may have and I may have missed it in the translation. And I want to ask you something more specifically about something you certainly did say.

First of all, you listed some reasons for concentration and then you listed some of the negatives.

One of the reasons sometimes advanced for concentration, particularly in Quebec—and, if you did list it, then I missed it and, if you didn't list it, the question then becomes "Is it important?"—the argument is sometimes advanced that only through a concentration of press is there a guarantee of a continuation or a guarantee of a French culture in Quebec.

Have you heard that reason advanced?

Mr. Ryan: Oh, yes.

The Chairman: Is it valid?

Mr. Ryan: There is a problem of continuity. I think one of the members of your Committee was for a long time owner of an important network of information services in one area of the Province of Quebec.

The Chairman: Senator Desruisseaux. He is not a member of the Committee.

Mr. Ryan: Oh, he is not?

The Chairman: No.

Mr. Ryan: I thought I had seen his name on the letterhead.

The Chairman: He was a member of the Committee but he is not a member of the Committee now.

Mr. Ryan: I see. He is a good friend of mine. I would expect him to be here tonight.

The Chairman: He is a good friend of us all.

Mr. Ryan: When he decided he no longer had the energy to continue as publisher of "La Tribune" he began to look around, and found nobody to take over. So he had to look for someone who would buy the assets of his company.

In this case he had no successor in his family; and he had none that he was willing to give the responsibility to in the Sherbrooke area. So he sold out to—I think it was the Power Corporation.

What would have happened if Power had not been there?

Well, there are a lot of suppositions that one can make here. Perhaps there would have been some people in the Sherbrooke area who would have been interested in buying this enterprise if it could have been available at a somewhat smaller price than was offered by Power Corporation with its vast resources.

Senator Beaubien: It was seven million.

Mr. Ryan: I know—considerable.

But I think no complete explorations were made of the possibility of putting to use the resources of the community. Explorations must certainly have been made by the Senator individually, but I am sure that not many elements were invited to join him in the search for a community-based solution.

I think this is the first approach that should be explored. I think the newspaper as a property of public interest—I don't say "governmental property" but "property of public interest"—should first be rooted in the community which it claims to serve. And to all the extent it is possible, the community should be given the opportunity of sharing in the ownership and leadership of the organization.

I do not go along with this argument that, if Power Corporation had not been around the French-Canadian culture insofar as daily newspapers are concerned would have been doomed. If this is the question which you put to me, my answer is a blunt "No."

If you ask me whether the fact that Power Corporation became involved might not be a positive factor in developing the newspaper, in contributing to its prosperity and greater influence, here I am brought back to the pros and cons which were suggested in my presentation.

I think there are some pros and cons. The pros are important. They must be weighed very seriously. But I think to the extent that a solution can be found in the community itself it is highly preferable.

The Chairman: Then may I ask you about one of your cons, which was the second part of my question?

You said the proprietors of the newspaper chain sometimes advance the argument that there is editorial freedom within the chain. And you described it, and I wrote it down as "a certain guarded freedom."

What exactly do you mean by "a certain guarded freedom"? Was that the correct translation?

Mr. Ryan: Oh, yes.

The Chairman: What does "a certain guarded freedom" mean? What do you mean by that, Mr. Ryan?

Mr. Ryan: The French expression which I used to describe this was "un enclos." I don't know how I would put this in English.

Senator Beaubien: "Enclave"?

Mr. Ryan: Not exactly, Senator, not exactly.

The Chairman: Mr. Fortier?

Mr. Fortier: Limitation?

Senator Smith: "Restricted"—"enclosed"?

Mr. Fortier: A strait jacket.

The Chairman: "A certain guarded freedom."

Mr. Ryan: That is it. That is the interpretation for a while.

Now, let us place ourselves in the position of my good friend Paul Desmarais. He wants to appoint a man as publisher and editor of "La Presse". Is he foolish enough to appoint a man who holds views which are fundamentally opposed to his own views? Can you think a man like Mr. Desmarais would not be more intelligent than that?

He would naturally look for a man with whom he has a certain affinity.

Senator Everett: Would that not be true of any publisher, though?

Senator Beaubien: Oh, yes; he means that.

Mr. Ryan: Of course. But I say, if you have a greater diversity in the ownership of newspapers the chances are greater that different points of view and the different ways of seeing reality would be presented to the public.

And I say ultimately in a chain like the one at the top of which Mr. Desmarais sits the probability is that in this, that and the other particular newspaper belonging to the chain there is going to be a certain streamlined pattern emerging with time. And the publisher is not stupid enough to come out and contradict the head of the corporation every week.

I was told about a fact that occurred not later than a couple of weeks ago in that particular empire. A person whom I know had been invited to substitute for a man in a key position in one of those newspapers. And she wrote articles in an entirely different vein than the man she was substituting for. And letters began to pour in approving that person for the vigorous stuff which he or she (I will not specify) was injecting into the columns of the newspaper.

Well, he, or she, got a strong invitation not to continue publishing these letters because it might create a hell of a problem when the old man returned to his desk.

So this is the kind of situation that is bound to develop inevitably sooner or later even with the best of intentions.

I am not hinting for one moment that either Mr. Desmarais or Mr. Péladeau has wicked intentions regarding the suppression of one ounce of liberty that may be given to the publisher of this or that particular newspaper. But I am familiar enough with human reality to know that the phenomenon of permeation, intellectual permeation, is a very strong factor when it comes to determining the climate of this or that organization.

And it may be necessary that we move in this direction to a certain extent. And I am willing to accept it to a certain extent. But I am wondering where the limit is going to be, if we are not going to fall under the intellec-

tual leadership of this or that individual, for whom I may have a great admiration, but not on intellectual grounds.

The Chairman: To your knowledge, have the big chains in English Canada, the Thomson papers, Southam and so on, ever owned papers in Quebec; that is, French papers in Quebec?

Mr. Ryan: No, not to my knowledge. Thomson Newspapers own one or two English language dailies published in the Province of Quebec. I think they bought "The Record" and perhaps "The Chronicle." I am not sure.

The Chairman: Yes.

Mr. Ryan: They did?

No, I don't think there ever was any serious negotiation concerning the transfer of control of French language papers into that organization.

Southam Newspapers once discussed the possibility of buying control of a specialized business newspaper published on a weekly basis. This never came through. But they never showed an active interest in a daily newspaper.

The Chairman: I think Senator Everett wanted to ask some questions, Mr. Fortier.

Senator Everett: Mr. Ryan, you, I think, said that in the case of the Sherbrooke interests the community should have had an opportunity to participate in the purchase of those interests before the sale was made to Power Corporation.

It has been indicated to us by the owners of individual newspapers that in almost every case the chain—that is, Thomson-Southam-Power-Desmarais—can pay considerably more, or will pay considerably more than an individual purchaser would choose to pay, or would be able to pay.

I would be interested to know how you feel this community participation could take place under those circumstances.

Mr. Ryan: Here you raise a problem which is extremely vexing and to which I have no solution—and for which I do not envy the position in which you place yourselves for accepting to become members of this Committee.

There would have to be—I will come to your question right after this—this is true; the big corporations, the chains, are far better placed to offer better prices than individuals

or community-based organizations in any area of Canada except the large metropolitan centres.

Here the two recourses that may be thought of are: first, the possibility of obliging the owner of a newspaper based in one particular area to first explore the prospects of transferring control of the newspaper to community-based interests provided he gets a reasonable price for the investment that he made over the years, and that this might override proposals coming from other sources.

Two, there might have to be a more stringent interpretation of the law of monopolies forbidding a given corporation to control more than so many newspapers in so many areas or cities.

I don't know. There would have to be limitations on either side. Otherwise the phenomena which you evoke would continue to grow to the point that no competition will become possible except between the big three or four that we will have in Canada that will preserve a semblance of competition—which it will not be in fact.

How should community participation in ownership of papers be possible?

I think this should start long before there is a question of selling the control of a newspaper to outside interests. I think it should be a natural inclination on the part of those who own or control newspapers in today's society to share the responsibility for ownership and management a little more than they have been inclined to do in the past.

I think if we started there, if we began to interest, to involve local people and organizations in the life of a newspaper or a broadcasting station, it would be far easier to find prospective buyers whenever the time came for a transfer of control, or a possibility.

I don't think this can be improvised overnight. But I know we have some people of great influence serving on our Board of Directors. I am sure that most of them, if they had been invited to sit on boards of directors of other papers, would have been equally interested, because they are not narrow-minded to the point that they would have an interest only in the least remunerative of the newspapers that are being published, you know. They would be interested in participating in the life of other papers too.

Senator Everett: That is, directors?

Mr. Ryan: Such a thing as directors—shareholders.

Senator Beaubien: Would they put up money, do you think? Would they invest?

Mr. Ryan: Some could, you know. Some could. Because some of these papers have been very prosperous ventures for a long while.

But this was part of the French-Canadian tradition. They did not want—And I can say to a great extent the English-Canadian tradition—this particular field which we are discussing. The family, or the individual that owned the newspaper or the broadcasting station would have nothing to do with outsiders who were alien because, you know, he wanted to keep all these things to himself, with the result that, when he became incapacitated for one reason or another, the whole direction was bound to be changed, with greater embarrassment and detriment being caused to the community in several cases.

Senator Everett: Mr. Ryan, in talking about (if I understood you correctly) the postal rate problem that you face, and in the public loans for (I think you said) co-operative printing. . . Was that correct?

Mr. Ryan: Yes.

Senator Everett: It seems to me that you are talking about some form of government subsidy.

Mr. Ryan: Of course.

Senator Everett: To help the continuing operation of a newspaper?

Mr. Ryan: I know. I know.

If the public is to be involved in saving newspapers from going under, is there then an upper limit as to the amount of money that a newspaper is entitled to make? Does it follow in your mind?

Well, that is a matter to be settled by Mr. Benson, I think. There is something of direct interest to the Minister of Finance here. I think in true fiscal measures the government can determine a lot of things in this respect.

But coming back to loans and possible investments originating with public authorities in this public field, I know that this is raising a matter which appears horrendous to a lot of Canadians and a lot of my colleagues in the publishing field. But we have got to be realistic in this respect.

I know that in Sweden. . . It has become a fashion to cite Sweden whenever discussing an embarrassing question—anybody likes to have an example to bring from Sweden. It has become a fashion of Manitoba, the Province of Quebec, France, everywhere. Even Mr. Trudeau does not appear to dislike Sweden. In Sweden recently Parliament approved a program of loans to small press organizations under which newspapers can be entitled to get loans at no interest for a period of a limited number of years and at a rather low interest for the ensuing five years, let us say; and the duration of such loans can extend up to about 20 years. They have appropriated the maximum amount of twenty-five million dollars for that purpose over a five-year period, which is not exaggerated.

But I know that in a lot of cases it should be helpful.

In European countries following the war, you know that the government had to appropriate physical installations that had been run by so-called collaborators during occupation years, or that were under threat of being seized by communist organizations in countries that were then threatened with communist domination.

So the government took over control of these physical installations and decided to distribute the use of such installations among the leading ideological forces that existed in the country for purposes of publication of daily newspapers.

In France the French Government contributed to the formation of the great agency of newspaper delivery that served the whole of France. That is called Hachette.

Hachette is a very powerful organization. It would not have reached its present level of importance had it not been for the rather active involvement in indirect ways of the French Government.

And I don't think it can be claimed that newspapers are more dominated by the government in France than they are in Canada or in the United States. Under DeGaulle many newspapers strenuously opposed the old man. They did not have to oppose him. Hachette prevented the distribution of newspapers from falling under the control of an organization with limited, strictly commercial or individualistic purposes.

There are ways to be explored. There are avenues to be examined. I do not claim this could apply to Canada, but it appears to me

that we have reached a stage, at least in the Province of Quebec, where we must thoroughly look at these matters in a very open-minded spirit.

Senator Langlois: Mr. Ryan, when you suggest these forms of government assistance, do you have any preference between sources, say federal and provincial, for example, given the context of Quebec?

Mr. Ryan: You know, I am going to be forced to read you part of my brief which I had to skip at the beginning: I think it is important that I return to it and I thank you very much for giving me the opportunity; it is not that I am afraid of being condemned by anyone—it is a matter of conviction. Accordingly, I shall quote page 5 of my brief where I state that, on more than one score, the various problems appear to me to fall primarily under provincial rather than federal authority. The professional aspects of the operation of the press, questions having to do with the establishment of the Press Council, questions relative to the ownership and administration of press enterprises, seem to me more likely to be resolved on the provincial than on the federal level. This would not prevent me from answering as many questions as you care to ask me on matters of interest to the Committee, for I consider that freedom of information extends even to Senate Committees.

So I thank you for having raised the question, but I feel it is one which is worthy of investigation. You have the means to do it and a good working method, and I feel that you can make good headway on it and if you make any interesting suggestions, I am sure that serious people will consider them. We reserve the right to judge them according to our own lights if necessary, when the time comes.

Senator Langlois: Thank you.

The Chairman: Mr. Fortier?

Mr. Fortier: Mr. Ryan, I should like your opinion on the following point. There is a phenomenon which is peculiar to Quebec, the fact that there are approximately 150 weekly papers published in Quebec and eleven, or ten, daily papers. How do you explain the fact that there are so many weekly newspapers in Quebec and that they are so popular?

Mr. Ryan: I am not very well versed in the economics of weekly newspapers but I believe

I understand this much. A weekly newspaper is an enterprise which can survive with a very small staff and which generally has its own small printing-press, a section of which is devoted to commercial printing. Because the weekly newspaper is aimed at the local population, it receives advertising revenue from the commercial and industrial firms and social organizations in the area, and this assures it the minimal income it needs to carry on. I think this explains why we have at least—you mentioned 110 weeklies; let us say that there are at least some forty which are truly worthwhile from the point of view of content and size. But there is a market for them at the present time. I believe that this is the explanation as regards both readers and advertisers.

Mr. Fortier: To what extent does a paper like *Le Soleil* publish pages, for example, for Lake St. John, Gaspé, or the North Shore? To what extent can *Le Soleil* serve the population of these various centres daily?

Mr. Ryan: Obviously, the citizens of these regions are in a better position than I to answer these questions. However, I believe that in the case of the Saguenay-Lake St. John area, *Le Soleil* has formed an editorial which would be almost large enough to produce a small, complete regional newspaper every day. They have twelve or fifteen full-time journalists. I was greatly impressed by the very elaborate organization they have there, and every day they turn out a minimum of—I am not sure how many pages.

Mr. Fortier: I believe it is six pages.

Mr. Ryan: In any event, an undetermined number of pages every day devoted entirely to matters of regional interest for the people in Saguenay-Lake St. John. I must say I take my hat off to the organization from *Le Soleil* which succeeded in this venture, although I would have preferred, in principle, to have seen it done by an organization with its roots more firmly imbedded in the area. All the same, *Le Soleil* took the trouble to recruit journalists who come from the area they serve; they are very, very close to the reality there.

Senator Langlois: Nevertheless, in the Lower St. Lawrence region in particular, the weekly papers are still quite popular?

Mr. Ryan: That is correct. And in Chicoutimi there is one weekly in particular which is very, very successful at the present time and which is doing very well.

The Chairman: I was going to ask an unrelated question.

Mr. Fortier: Mine is a related one.

The Chairman: Yours is?

Mr. Fortier: Yes.

The Chairman: Please go ahead.

Mr. Fortier: You said you would like to have seen a newspaper in the Saguenay area owned by the local people, is that not correct? Is it your opinion that ideally in Canada an individual should not own more than one newspaper?

Mr. Ryan: Let me say that I am much less concerned with the individual in that respect, but ideally, I feel that every region having its own personality should be able to count on its daily newspaper.

Mr. Fortier: Then you are against chains of all kinds?

Mr. Ryan: No, no, I did not say that; I refer you to the text of my brief, Mr. Chairman, which is much more subtle than that.

Mr. Fortier: I was trying to make you sum up your thinking.

Mr. Ryan: No; I feel it would not be impossible for regional newspapers to exist; I mention a relationship with a chain, but which would also involve responsible participation by regional interests, say on a 50-50 basis. This could be an excellent arrangement. No one could argue that the chain was dictating to the regional newspaper. On the other hand, the people in the area whose resources, especially good technical and administrative talent, might not be sufficient to support a quality newspaper, could count on support from the other side. I feel that in a solution based on participation such as this we can find a more satisfactory balance we have today.

Senator Langlois: Mr. Ryan, what is your opinion of the weeklies which are not only printed, but also edited outside the region they cover? Are there several of these in the province?

Mr. Ryan: If I were a member of parliament for one of these regions—or indeed a senator—I would be very sorry to see it

because I would consider that this represented so many jobs which normally should be located in the region, whose activities are the raw material used in the social product we call a newspaper.

Now, I would not go so far as to restrict the possibility for a newspaper editor to have his paper printed elsewhere because today, the majority of the weekly newspapers are adopting the offset process. However, not all regions have offset facilities of sufficient quality to produce a newspaper subject to the requirements of speed, good presentation, good physical and aesthetic appearance, and apparently certain printing firms are now attracting a great many customers. I think I know of some of the firms you have in mind; I feel that they have become established because of some remarkable qualities which, by the way, I admire.

The Chairman: Senator McElman, I just want to ask one question.

Does *Le Devoir* belong to the Canadian Daily Newspaper Association?

Mr. Ryan: Yes.

The Chairman: What do you think of the organization? Do you have a high regard for it?

Mr. Ryan: I will tell you; I wondered this afternoon if such a question would be put to me this evening, and I concluded that I must regret that my advertising manager could not be with me tonight, because he was operated on last week and has not returned to the office yet. That is why I don't have a paragraph on the advertising side of our operation, which is a very important side.

But our advertising manager represents us on this particular organization. I have never been able myself to attend one of its meetings; and I don't read most of the literature emanating from the organization. I immediately transfer it to Mr. Payette. So I am afraid I cannot give you an honest answer to your question.

The Chairman: Well, you have given me an honest answer.

Mr. Ryan: But we belong to the organization, and we have not seriously considered the possibility of withdrawing.

Senator McElman: Perhaps to follow through first on your question: would you give an opinion on the Canadian Daily Newspaper Publishers' Association?

The Chairman: That was the question I asked.

Senator McElman: No; you said the Canadian Daily Newspaper Association, which is different.

Mr. Ryan: No, it is the same organization—CDNPA; Canadian Daily Newspaper Association.

Senator McElman: There is another one.

The Chairman: I mean the same one.

Mr. Ryan: I know you have here another organization, the Canadian Association of Managing Editors.

The Chairman: Yes.

Senator McElman: Yes.

Mr. Ryan: I don't think there is an organization different from the CDNPA for publishers exclusively. If such an organization exists, I don't belong to that club. I am not too much interested. But publishers, mind you, meeting regularly under two leading auspices—the Canadian Press for news purposes and the CDNPA for advertising purposes—these are the two leading national bodies which bring publishers together.

Senator McElman: The second of which you regard still largely as a financial...

Mr. Ryan: CDNPA?

Senator McElman: Yes.

Mr. Ryan: I said "advertising"; not "financial." CDNPA gives us no help at all in connection with our financial problems. It brings us together for the purpose of fostering our interest in the advertising field. That is the leading purpose of that organization.

Senator McElman: Right.

The principal questions I wish to put to Mr. Ryan concern New Brunswick. And I am from New Brunswick.

Mr. Ryan: You want to put the question to me about "L'Evangeline"?

Senator McElman: That is part of it, sir.

The French-speaking population of New Brunswick, although very small in terms relative to the Province of Quebec (only some 240,000-odd) is very large relative to the population of New Brunswick. As you are no doubt aware, we have six dailies in the provin-

ince, one of which, "L'Evangeline," is French language. The others, the other five, are part of one chain origin. I say "part" because it also deals with television and radio.

Now, "L'Evangeline," I think it is in better shape than it has been. It is historically in financial trouble. Its circulation is not all-emcompassing of the French-speaking population of New Brunswick by any means. And quite a very large segment of that population then relies on the English language newspapers.

Now, that is the long way around to ask: do the leading newspapers of the Province of Quebec feel a responsibility both to the French-speaking people of New Brunswick to provide some measure of service to them by way of cultural and other information; and do they feel a responsibility perhaps in providing to the people of Quebec information about the problems which are similar but different, as I am sure you will agree, with the Acadian population, than they are for French-speaking people within the Province of Quebec?

Is there a responsibility?

Mr. Ryan: That is a very interesting question. It raises a lot of problems.

A few years ago when "L'Evangeline" began having serious difficulties it made an appeal to a couple of leading publishers of French-speaking newspapers in the Province of Quebec to go and examine their situation and to offer advice as to how they might best relieve their problems. The then publisher of "Le Devoir," Mr. Filion, was one of those who was invited to go and to examine the situation of "L'Evangeline."

And when he and one colleague returned they recommended to Le Conseil de la Vie Française—that is an organization dedicated to the development of the French language in the whole of North America but in particular in Canada—they recommended to Le Conseil de la Vie Française that they should organize a drive, a fund-raising drive, in order to help "L'Evangeline."

And then Le Conseil, in conjunction with the Government of the Province of Quebec, decided to provide financial assistance for "L'Evangeline" for a period of three or five years. My recollection is not too sure in this respect. We will say between three and five years.

This assistance was forwarded to "L'Evangeline."

They were supposed to also provide professional assistance, of which there was bound to be very little afterwards.

"L'Evangeline" continued with its problems. I don't think they advanced much during that period. And when the period expired during which they were going to receive assistance from Le Conseil and the Quebec Government, they were again confronted with a very awkward situation.

Then they appealed to the leading Acadian organizations, in particular La Société de l'Assomption. They formed a new corporation which is now responsible for "L'Evangeline" and which had to call upon both General DeGaulle and the Ottawa Government for assistance in order to resolve their problems.

We met and talked with the leaders of the organization in the last few months. We have always welcomed them to our office at "Le Devoir." We have discussed their situation with them at length, even recently.

The problem is one of editorial leadership to start with. You see, I insisted that they must find resources in the Acadian community to lead that paper intellectually. It is not healthy to import a man from Montreal.

Senator McElman: Or France.

Mr. Ryan: Or France, if you wish—and invest him with the task of leading the newspaper and giving intellectual, social and political leadership to the Acadian people.

But to this they answer, "We can't solicit this kind of leadership in the community. We have not yet arrived at a situation where we can provide such resource."

What is the solution in such case? I don't know what the solution is. It must be an extremely difficult problem. I think, if they cannot appreciate the kind of leadership that is expected from this sort of newspaper, whose fundamental aims are pretty akin to those of a paper like ours, if this cannot be sustained with the kind of intellectual leadership that goes with it, I think the purpose is destroyed, even if the organization is maintained physically.

They must come to a crossroads sooner or later. And then they must examine seriously whether they have the resources to maintain a daily newspaper; and, if not, whether it might not be preferable to think of keeping a solid weekly newspaper.

But this is a question which I put out loud, you know. I don't suggest any answers to the

question. But my impression is that the question must be looked at very honestly.

To complete my answer to your question, I would reply without any hesitation that we in Quebec have a certain responsibility to our Acadian friends and brothers which we have not discharged to all the extent that would have been desirable in the last few years. Because we were absorbed in our own internal problems. We had extreme difficulties to resolve at home. And we cannot give to these problems the kind of attention that we would have given them before and that I hope we will give them again in the future.

I am sure there must be solidarity between these people and ourselves, otherwise the whole ideal of Francophone solidarity at the international level becomes completely meaningless.

Senator McElman: Thank you very much.

The Chairman: Are there any other questions that the senators have? It is getting late. I don't want to terminate the discussion.

Then I think I must ask Mr. Fortier if he has a question. He always have.

Mr. Fortier: Excuse me, Mr. Chairman, but I have to bow to your superior position.

Mr. Ryan, has the press in Quebec faithfully rendered for its readers the atmosphere which is emerging, let us say, or which has emerged in Quebec over the past few years?

Mr. Ryan: I would say that at certain times it has done so in a somewhat chaotic manner, at times unduly emphasizing developments which were not always as important as the press may have believed, and ignoring others which were often of greater importance. However, these reservations aside, I feel that generally speaking, performance varied greatly from one newspaper to the next.

I do not think I could allow myself to give you an answer which would lump all newspapers in the same category. I feel that a detailed study—and this might even be a subject for study by your Committee—should be made of the output of daily newspapers with regard to one or two selected topics over a one-week period in a certain year, say, and then during another week in a different year. Personally, I would learn many things about the behaviour of *Le Devoir* as a result of an investigation such as this. But frankly I would not care to make sweeping judgment. However, if you ask for my assessment with

regard to our newspaper, I shall give it willingly. But I would not dare pass out compliments or bestow a general blessing upon all those with whom we are in competition.

No, I am not the sort of person to come here with the corporate and jurist approach to defend the body of newspapers as a whole and so forth; I feel that is just putting on a performance and that it is the same as defending the universities or colleges. It means nothing. Some are good and some are not so good, and I feel that the same holds true here.

Mr. Fortier: I asked you this question as you are an inveterate journalist who has worked in Quebec for many years. You are wearing two hats here today. I have often asked myself the question, have—too name them—the *Montreal Star* and *The Gazette*, from the standpoint of editorials and news content, informed their readers over the past ten years as they should have done? I wonder.

As far as recruitment is concerned...

Mr. Ryan: If you can dispose of one more hour, I am willing to submit myself to this kind of gruelling question, but...

Mr. Fortier: I should like to hear your opinion, but if you do not wish...

Mr. Ryan: If you can dispose of one more hour I am willing to submit myself to this kind of gruelling question. But I would not like to venture a one-minute answer to this very intricate interrogation.

Mr. Fortier: I consider this a most important matter and, if the Chairman would allow you to answer the question, and take all the time that you require, I think we would benefit from it.

The Chairman: I think we would be interested in your answer. Do you wish to take a few minutes, or do you prefer not to?

Mr. Ryan: No. I prefer even to come back at a later stage, if you are interested in a thorough answer to this question. I can come up with notes to support that particular judgment or impression I might wish to communicate. But I am afraid I would not have the freedom of mind that would be required because, to be frank with you, I know you have your commitments on your side, but I must appear before another parliamentary committee tomorrow morning and I have some homework to do in this connection, because I am less familiar with the other matter than with the one you graciously invite me to discuss with you.

The Chairman: May I say in terminating the discussion that you have certainly demonstrated to the members of our Committee tonight—not that the demonstration was necessary, but you have demonstrated again tonight why you are held in such universal high regard in the journalistic community, and indeed in the community broadly stated.

So we are terribly grateful. We know how busy you are, and we are terribly grateful. We may want to call on you again later on.

The Committee adjourned.



Second Session—Twenty-eighth Parliament

1969

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 3

THURSDAY, DECEMBER 11, 1969

WITNESSES:

Members of the Parliamentary Press Gallery: Mr. Robert Hull, President; Miss Joyce Fairbairn; Mr. Charles Lynch; Mr. Ron Collister; and Mr. Pierre O'Neil, Secretary.

Armada Company Limited; The Regina Leader-Post and The Saskatoon Star-Phoenix: Mr. Michael Sifton, President, Armadale Company Limited; Mr. M. D. Macdonald, Editor, The Saskatoon Star-Phoenix; Mr. Thomas Melville, Editor-in-Chief, The Regina Leader-Post; Mr. Harold A. Crittenden, Vice-president and Managing Director, Transcanada Communications Limited; Mr. Preston W. Balmer, Vice-president, The Regina Leader-Post; Mr. William Thomson, Executive Vice-president, The Regina Leader-Post; Mr. R. K. Macdonald, General Manager, CKRC.

Chairman of Communication and Journalism, Faculty of Arts, Laval University: Mr. Tom Sloan.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien
Bourque
Davey
Everett
Hays
Langlois
Macdonald (*Cape Breton*)

McElman
Petten
Prowse
Smith
Sparrow
Welch
White
Willis

(15 MEMBERS)

(Quorum 5)

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

"With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18 December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beau-bien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

“With leave of the Senate,
The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative, on division.”

Robert Fortier,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, December 11, 1969.

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, *Chairman*; Beaubien, Everett, Hays, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Smith, Sparrow and Willis. (12)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant.

The following members of the Parliamentary Press Gallery were heard:

Mr. Robert Hull, President;

Miss Joyce Fairbairn;

Mr. Charles Lynch;

Mr. Ron Collister;

Mr. Pierre O'Neil, Secretary.

At 12.30 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Beaubien, Hays, Macdonald (*Cape Breton*), McElman, Petten, Sparrow and Smith. (8)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; and Mr. Yves Fortier, Counsel.

The following witnesses representing *Armada Company Limited*; *The Regina Leader-Post* and *The Saskatoon Star-Phoenix* were heard:

Mr. Michael Sifton, President, Armadale Company Limited;

Mr. M. D. Macdonald, Editor, The Saskatoon Star-Phoenix;

Mr. Thomas Melville, Editor-in-Chief, The Regina Leader-Post;

Mr. Harold A. Crittenden, Vice-president and Managing Director, Transcanada Communications Limited;

Mr. Preston W. Balmer, Vice-president, The Regina Leader-Post;

Mr. William Thomson, Executive Vice-president, The Regina Leader-Post;

Mr. R. K. Macdonald, General Manager, CKRC.

At 6.10 p.m. the Committee adjourned to 8.00 p.m.

At 8.00 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Hays, Macdonald (Cape Breton), McElman, Petten, Prowse, Smith and Sparrow. (8)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director.

The following witness was heard:

Mr. Tom Sloan, Chairman of Communication and Journalism, Faculty of Arts, Laval University.

At 10.15 p.m. the Committee adjourned to Friday, December 12, 1969, at 10.00 a.m.

ATTEST:

Gerard Lemire,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Thursday, December 11, 1969

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (*Chairman*) in the Chair.

The Chairman: Honourable Senators, if I may call this session to order. In the course of our studies and deliberations to date and doubtless in the course of our subsequent studies and deliberations we will hear a great deal about the parliamentary press gallery.

For that reason, I am particularly pleased this morning to welcome five members from the gallery.

I should make one thing perfectly clear at the outset. You must understand that they are not here as a group representing the press gallery. Rather they are here as individuals; as individual members of the gallery. I think it is important that Members of the Committee realize and understand the fact that these people are here as individuals.

Perhaps one exception is the gentleman on my immediate right. Mr. Robert Hull, who as well as being here as an individual is in fact the president of the press gallery.

Now, the procedure we intend to follow this morning, if it is agreeable to our guests, is this: I thought that we would ask each one to speak for five or ten minutes as he or she may wish. There is certainly no need to speak but if you have any kind of preliminary statement which you might like to make and which might be interesting and useful you may do so. You are certainly not compelled to speak.

Following that or following these introductory statements we will open the forum up for questions from senators.

Again, I hope my colleagues on the committee will appreciate that this is not a presentation on behalf of the gallery but rather these people are here as individuals and you should be mindful of that fact in your questioning.

I suppose the only official statement, if I can call it that, is the opening statement from Mr. Robert Hull who is the president of the parliamentary press gallery.

Mr. Hull?

Mr. Robert Hull, President of the Parliamentary Press Gallery: Thank you very much, Senator. This statement was approved by a general meeting of the press gallery.

The organization known as the Canadian Parliamentary Press Gallery presently consists of 133 members.

The purpose of having a Press Gallery Association is to administer space and facilities provided in the Centre Block, which are under the control of the Speakers of the Senate and the House of Commons.

It is felt that the Press Gallery has a traditional right to access to proceedings in the Senate and House of Commons chambers. This is supplemented by certain privileges.

The make-up of the Gallery can be broken into six categories. There are 49 representatives from Canadian daily newspapers. There are 29 reporters from three wire and news services. There are 22 reporters from radio stations. There are 10 representatives from television stations. There are 12 representatives of periodicals and weekly publications. There are 12 persons who represent foreign publications or broadcasting agencies.

The Gallery executive deals with membership applications, allocations of space, and establishes general guidelines for the use of privileges such as access to the lobbies. It is in no way concerned with the daily operations of individual members, except in cases where mutual interest is involved.

There is no collective view in the Parliamentary Press Gallery. It is incorrect to ever state that "The Press Gallery says" with respect to any subject.

The president of the Gallery, or in his absence, the vice-president or one of the

other officers, is the spokesman for the Gallery dealing with persons or organizations having business to transact with members of the Gallery. This involves organizing press conferences, briefings and facilitating whenever and wherever possible the gathering of news.

The Press Gallery is best described as a physical location in the centre block where 133 men and women with extremely divergent views and terms of reference for the type of work they do, cover the proceedings of the House of Commons, the Senate, and the Government.

That concludes my brief, Mr. Chairman. I will try to answer any questions you may have about other activities of the Press Gallery.

I cannot speak for the Gallery as a whole regarding many of the questions I am sure are on your mind but I am prepared to answer any questions you may have about my personal attitude towards the job I do in the Gallery for the Windsor Star.

The Chairman: Thank you, Mr. Hull. I think the next person I should call on is Mr. O'Neill who is the secretary of the Gallery. However, I understand he would prefer to make his presentation in French and our translator will be available shortly. So with your permission I will go on to one of the others.

Perhaps then I could call on Miss Joyce Fairbairn of F.P. Publications. Miss Fairbairn, do you want to say anything at this point?

Miss Joyce Fairbairn: No, Mr. Chairman, I don't really think so. The only thing I was prepared to say was a brief biographical statement but I believe all the Senators have that information.

The Chairman: You will be available for our question period?

Miss Fairbairn: Oh yes.

The Chairman: Next, I think I will call on Mr. Charles Lynch of the Southam News Services.

Mr. Lynch?

Mr. Charles Lynch (Chief of the Southam News Services): Thank you very much, Senator. I am sorry Miss Fairbairn didn't go because I would have liked to have

heard what she had to say. As you know she is one of our principal competitors as well as our principal ornament in the Press Gallery. I wanted to say by way of opening that the way Miss Fairbairn haunts my dreams is not in the way you think, but out of the fear that we will get a query from one of our competing papers, for which she works, that Fairbairn has a hot story today about this or that. That is the way she figures in my life and the lives of many of the other members of the Gallery and this is why I am glad you were so careful to make the point that we are not here as spokesmen for the Gallery because the Gallery is a competitive jungle. It is not a boy's club or a cozy place as I am afraid may have been inferred in the report of the Government task force on information.

It is very much a competitive milieu and the Gallery as such, as Mr. Hull has said, has no existence except as a place where we meet from time to time, do our work individually and to compete with one another.

I am also glad that you pointed out that we are here not en bloc to speak for the Gallery but as individuals and I would have preferred indeed to ask the Committee that we be called as we were invited by letter as individuals and be heard individually and questioned individually. The reason I am worried about that is that I think when we get into the questioning of ourselves as a group inevitably some commonality of views will be implied. However, that can't be avoided and the committee did prefer to have us come to this hearing and here we are.

I hope that now that we are here the committee will deal with the professional aspects of news gathering as against the proprietary aspects which I think was the principal and original reason for this committee being formed and an area of very special interest in which of course none of us who have worked as news people have any involvement. None of us are proprietors and none of us have anything to say about the ownership of the newspapers, although some of us, myself included, have some managerial duties in addition to our journalistic ones.

I will just touch on those briefly in a moment.

On the professional side, it has been my view for a number of years that the improvement in the standards of work within the terms of employment in the news field has

been marked and I count myself very lucky to come along into it at a time when so many improvements were being made; working conditions both at the individual newspaper levels and certainly here in parliament. If any of you knew the Press Gallery five or six or seven years ago it was referred to as the "slum on the third floor at the back of this building." Well, at least it is a sanitary slum. It used to be a unsanitary one and it used to be a place where all of us lived as well as worked during our working day. That was where we had our desks and that was where we hung our hats. This is no longer the case. The move to the National Press Building where most of us now have offices and where the head office of Southam News Services exists, has completely changed the working environment.

I remember being on a panel once with Frank Underhill who has had many well deserved stories written about him recently in connection with his eightieth birthday, and he was being critical of the work of the Press Gallery and I got up and pleaded that the working conditions were so bad it was impossible to function clearly there and I estimated that 50 per cent of my professional capacity was lost just because of the environment and the chaos, and he turned to me on the panel and he said, "Mr. Lynch, the reason that your work is so mediocre has nothing to do with the environment in which you work, it's the fact that you yourself are mediocre. You are doing the best you can with what you have. So don't blame it on the conditions."

The conditions have improved and if any of the committee have not seen the National Press Building I think you should do so. You certainly would be welcome to come and visit our offices down there and see the conditions under which we work. I would say that I and my colleagues in Southam News Services do, I think, 95 per cent of our writing not in the Press Gallery but in our own offices in the National Press Building.

This is, in our view, a very efficient and remarkable facility which has greatly improved the working conditions.

The Chairman: May I say, Mr. Lynch, that we would like to accept that offer.

Mr. Lynch: Good. We would be very pleased to receive the committee. There is not an awful lot to see because we don't have a

great deal of apparatus. We in the News Services, and I think every bureau that is here, haven't much going for us except the people who work for us and of course the calibre of work depends on the calibre of those people.

I think, myself, it has never been higher. There was a time when the press gallery was accused of living in an Ottawa cocoon and cut off from the rest of the country. This is an accusation which has sometimes been brought against parliament itself. If that ever was true, and it may have been true—oddly enough in the days when we had access to free travel along the railroads, and all sorts of things of that sort which dated back to the days of confederation and now no longer exist, we did travel very little. We now travel a great deal and I myself travel 100,000 miles a year. I travelled this 100,000 miles a year within the country and abroad and I think all of the members of our staff do so.

I think all the members of the press gallery travel across the country a great deal of the time and I think that is good. The financial attractions of working as a professional in the news field of course are greater than they have ever been. The day when we lost people to public relations or other organizations, or even to radio and television, from the newspapers although not over are pretty much over.

Again, I count it my good fortune to have come along at a time when Canadian publishers suddenly came to realize that news was something you had to pay for, and they do pay for it.

I will mention the size of the budget that I administer in a moment to indicate the sort of thing that has been happening in all news gathering organizations in the country. I want my remarks if possible to be addressed to the writing side of the profession, rather than not only the proprietorship side about which you will be hearing at great length from other witnesses, but also rather than the editing side.

You will find that the writers tend to range themselves against two other elements in the business. One is the desk through which our copy passes and we of course regard everybody there as the enemy because of the things they sometimes do by way of improving our grammar and spelling and the very presentation they give to our material which is entirely in hands other than our own. I

hope you will be hearing from the editing side of the news business too as your hearings go along because it is very important.

The editors and the desk men think that it is the most important and that the writers are incidental. We tend to view it the other way around and I hope you will hear both sides of that question.

I think the time when merely adequate or mediocre reporting and writing in the newspaper field was acceptable is gone. Frank Underhill sometimes refers to the good old days—the brave old days of newspapering in this country when the quality of writing and reporting was higher. I disagree with that. I think there is more of a premium than ever now on writers with a special ability to collect and to convey information and to write it; there is a higher premium now on what you might call talent, flair or style, and I don't mean gimmickry. I mean clear writing that will grab and hold the reader because of the enormous competition that now exists for the reader's time.

There are a lot of intangibles that mark a good reporter from an adequate or mediocre one. The one that I have always put the most premium on is an insatiable sense of curiosity. If it can be sustained throughout a man's career it would indicate to me, and I have always preached this, that he should make his whole career in the writing and reporting side and not aspire to promotion into the editorial or into the managerial side of newspapering.

Coupled with that of course is a sense of responsibility which has caused so much anguish and on which there is no definition. How does a reporter exercise his sense of responsibility particularly in the coverage of political events, which is what we engage in where the truth is so often difficult to find? People say that there is a great premium on objectivity and truth, and politics by its very nature—I haven't ever seen a political question on which there were fewer than three versions of the truth according to the man's political doctrine or the party to which he belongs.

Our problem is to exercise our sense of responsibility and fairness in writing, reporting, and also in my own case and others, appraising and commenting and still come out with meaningful copy but fair and responsible copy.

Now Southam News Services. I will just say a word about that. I was not called as the chief of Southam News Services but I happen to be that and I will just say a word which you might find interesting on that aspect of our organization.

The Press Gallery plays, as I said earlier, a very minor role in the life of Southam News Services. We are the only national news gathering organization, national or international, that has its headquarters here. This is our headquarters bureau in Ottawa. It's from here that we normally post our men to our other bureaus and we have bureaus administered from Ottawa in Quebec City and in Toronto, New York, in Washington, in London and in Paris. The overall responsibility for that operation falls to me, assisted in very large measure by Mr. Patrick O'Callaghan who is in this room and who is the executive editor of the News Services.

When I joined the News Services in 1958, the annual budget for news-gathering for the Southam Newspapers was under \$100,000 a year. It is now close to half a million. It has jumped that much in the period just over 10 years. It reflects, going back to my statement that the publishers now do appear to realize that news is something that you have to pay for. That involves a very minimum payment for apparatus and the only apparatus we have is the transmission apparatus. We use telex to communicate our news to our papers and receive queries from them.

We have contractual relations with Reuters, the British news agency, for transmission of our overseas copy and we have transmission arrangements with a leased wire from Canadian Press here in Canada for the carriage of our overnight file of news to our 11 newspapers.

As I say, the administration of Southam News Services—that is to say the appointment of our correspondents, the day to day editing and guidance of their copy, the decision about assignments and who should go where and what we should cover and what we should leave to the national news agencies, the Canadian Press—the decisions are all made in Ottawa with consultation with the editors of our newspapers and eventually my line of responsibility flows through a committee of the publishers with which Mr. O'Callaghan and I meet three or four times a year. The Chairman is Mr. Ross Munro, the publisher of the Edmonton Journal.

Seriously enough, in a country where Toronto and Montreal tend to dominate communications we have a case where our head office and our operating base is in Ottawa and really our ownership base is in Edmonton. We burn up the telephone lines in consultation on important matters such as the budget and things of that kind with Edmonton.

The Edmonton Journal is one of the largest of our papers, if not the largest, and in terms of circulation is a major contributor to our budget. Our budget as I mentioned is roughly half a million dollars a year portioned among all the Southam papers on a formula based on circulation.

Edmonton is really about the biggest place in our lives from an overall organization point of view, the summit, more than any other place in the country. I was just going to close that by pointing out that within the writing side of our profession and particularly as we find it here in Ottawa there are two divisions. There is the reporting aspect of parliament and then there is the comment aspect.

Each of them has a long tradition...

Mr. Ron Collister: Which are you in?

Mr. Lynch: I often tell the people who work for us not to do as I do but if everybody wrote a signed personal column of political commentary then obviously the situation would be distorted. There is a mix within our organization—within the national press corps as I prefer to call it rather than the press gallery, of reporters and political commentators and, senator, that is all I have to say. Thank you.

The Chairman: Thank you very much. I think perhaps I will call next Mr. Ron Collister—from the C.B.C.

Mr. Collister: I would just like to direct myself briefly to three points. One is the quality of the press gallery which I assume you will be discussing and another is the flow of information and the third is what Mr. Lynch referred to as the drying up of people who really make a career out of reporting and particularly political reporting.

Before I came here today, in the press gallery I looked at a picture on the wall which showed our membership in 1967 which was just two years ago. There were 132 people there, we counted them, and 52 have gone so there is a 40 per cent turnover in two years.

In short, many people are not staying around long enough to really understand the business of government and to show a real interest in it. The tendency seems to be in many cases to make a few headlines and get out of Ottawa as an assignment as quickly as possible.

This shows that there is a problem for the employee and the employer and maybe it's a worse problem for the employer, who often thinks that a two year stint in Ottawa is enough; the reporter has to switch jobs if he wants to stay in Ottawa and make a career out of political reporting.

The other point I would like to make is that I think there isn't enough awareness of the change in the demands on a reporter. The idea that a reporter chases fire engines—and this is the traditional view—of course is just so ridiculous. Let's look at the constitutional conference and what a reporter is required to be to do a half decent job of reporting and interpreting this to the people.

He has to invest a large number of years and has to be prepared to be a political reporter right into the future to follow this conference, to put himself in a position where he is able to understand and tell people what it is about.

Now, that is the difference in the type of assignments a reporter in a lifetime has to cope with: the fire engine beat and the Constitutional Conference and the creation of a new constitution for Canada.

Now, we were talking about the inadequacies in the Task Force Report on the flow of information. I would suggest that there is some hypocrisy here because of the structure itself. It is very difficult to get information because most of the information that we get seems to come from political sources which is often suspect to start off with. You can almost hear the mind ticking over and saying "Now, is this good or is this bad, should we let it out?" There is no sort of acceptance that we as reporters have a right to know and we should be given this information as a right—straight information without political consideration applied.

This hypocrisy I was talking about also lies in the attitude of the government towards the electronic media. It seems to me that the role of electronic media has not been fully recognized. There are no television cameras in this room and of course we are not making much

progress in our request for television cameras in the Commons. If we are going to say that information is not getting out to the people, we also have to say or always have to ask "Are the media getting the co-operation to do the job that it should be doing?"

At this stage I must conclude that they really aren't. I don't think that this aspect of it is dealt with sufficiently in the Task Force Report on information which makes a good point about the press gallery and its function.

Well, that is all I have to say and I will be happy to answer any questions which you may have.

The Chairman: Thank you very much. I have received a note from Mr. O'Neill saying that he will forgo his statement and will simply field questions from the floor. I hope that has had nothing to do with the translation?

Mr. O'Neill: I might want to expand or comment on some of the things that Ron has been saying.

The Chairman: Would you like to do it now?

Mr. O'Neill: Yes. Just about what Mr. Collister calls the right to know and the lack of co-operation that we get. Personally I challenge this concept of our right to know. I do think that surely the people have a right to know but I am not sure that we as press reporters have the same right.

I think as members of the press gallery we have privileges and I don't think that we can claim to have the right, because after all we work for employers who profit out of this operation and therefore I take objection to that concept of our right to know.

I think that the people have a right to know and I think we have only privileges.

About the co-operation that we get here. I take another view of that as well. I think we have the means to do our job and I don't think that the set-up as far as information goes in government is quite satisfactory but Mr. Collister mentioned that the policy of secrecy stops us from doing a good job. I don't quite agree with that. I think we have all the chance that we need to gather all the information we want to get.

Mr. Collister: May I just make one comment on that. The policy of secrecy. I would

just like to refer you again to this constitutional process which is going on and which has been going on for two years and for two or three times a year we have been given briefings. Why don't we have a continual flow of information from those committees which are meeting all the time? We are not expecting a great deal for us to be in touch all the time.

Mr. O'Neill: Well, I think we can get a large amount of that information. We get it bit by bit but I do think it is possible to get it and I also do think that it is useful to the government and to the people that part of this discussion be kept a secret.

Senator Hays: Mr. Chairman, we are going to interview the press this morning and I don't think we should listen to a dialogue. I would hope that we would have an opportunity, and knowing newspaper people as I do, with all the great respect I have for them, they will take all the time.

The Chairman: Notwithstanding Senator Hays' observations I will allow Mr. Lynch to comment on Mr. O'Neill's statement if he wishes to do so.

Mr. Lynch: Not for the first time I am devastated by Senator Hays' intervention. I just wanted to take objection to what I gather was his implication that we function by privileges rather than rights; that our rights may be somehow less than the general public because we work for profit making concerns. I wouldn't want to leave that without objecting to it and I hope it would be explored in a way that we can all have a word or two on it.

The Chairman: I would like to get on to the Senators but before I do I think that even Senator Hays won't object if I ask Miss Fairbairn if she wishes to say anything now?

Miss Fairbairn: No, I am quite happy.

The Chairman: Well, Senator Prowse, I think we will allow Senator McElman to ask the first question.

Senator Prowse: Well, I was going to deal with that.

The Chairman: All right, go ahead.

Senator Prowse: Well, Mr. Chairman, in the matter of investigating things here it seems to me that we would get a better picture of what the press gallery thought if we suspended our right of considering them as individual

witnesses and if they get some conversation going back and forth we might learn more from that than we would otherwise.

The Chairman: Well, perhaps you and Senator Hays might discuss that at luncheon. Before I turn to Senator McElman I was going to, and with great respect to Senator Prowse, underline rather the opposite point of view. I will again repeat that in reference to Mr. Lynch and some of the others that they are here, I can't stress this enough, as individuals. Not unnaturally however, with respect to Senator Hays, there probably will be a cross dialogue. You may wish to comment on answers which some of you may give to various questions and we would welcome that dialogue.

At the same time we will try, Mr. Lynch, to be completely mindful of the point that you are appearing here as individuals. We appreciate you co-operating with us in the way that you have.

Senator McElman: Thank you, Mr. Chairman. I might say initially that I have always envied the members of the press gallery when they appear on panels, particularly on television, and are able to grill the politicians and I have always wanted to be in such a seat when they ask those proverbial questions such as "Are you still beating your wife." So today the hot seat is up there and it is an interesting situation.

I would like to direct my first question to Mr. Hull.

What is the basis for admission to the press gallery?

Mr. Hull: I will quote directly from the Canadian Parliamentary Press Gallery Constitution and I apologize for not having copies of this but we recently amended our Constitution and it is in the process of being printed and that is why I can't provide you with copies.

The Chairman: Could you provide us with copies?

Mr. Hull: When they do arrive, certainly. I will quote the section pertaining to membership.

Active membership in the Canadian Parliamentary Press Gallery shall be open only to journalists whose principal occupation is reporting, interpreting, or editing parliamentary or federal government

news and who are assigned to Ottawa on a continuing basis by one or more daily newspapers, radio or television broadcasting stations or systems, recognized news services or periodicals of national or international standing and who require the use of gallery facilities to fulfill their functions.

Senator McElman: Does the press gallery have a written or unwritten code of ethics for its membership?

Mr. Hull: There is no written code of ethics per se in the Constitution. There is a reference—in cases where someone considers that there may have been a breach of a code of ethics and if it is brought to the executives' attention we will look into it; such as a breach of a release time on a document or something to this degree. We will look into it and try to ascertain whether it was done and why it was done.

Senator McElman: And this would be the full extent of any written code?

Mr. Hull: Yes, I think so. There are a number of unwritten aspects to some of the privileges we have. Take the lobbies. We have access to the lobbies but we have posted a notice reminding our members that we don't feel that they should go in and eavesdrop in the lobbies. We feel that if there is a private conversation going on in the lobby it is pretty well an unwritten agreement that we don't go and try to hear what is being said. We stay discreetly at one end.

Senator McElman: You stay at the end and point the microphone.

Mr. Hull: Well, there are no microphones allowed in the lobbies.

Senator McElman: Well, in the event of a breach of the unwritten code, what provisions do you have for punitive measures against a member of the gallery who so breaches?

Mr. Hull: Well, this is usually decided upon by the executive after hearing all the facts. Usually in cases of breaching of releases, we try to get the people who have been involved to send letters apologizing to whoever happens to be hurt by this breach.

Senator McElman: Well, aside from an early news break before a deadline, do you have other examples of what might happen, without naming them of course, and what action might be taken?

Mr. Hull: No.

Senator McElman: There have been no breaches then?

Mr. Hull: Well...

Senator Prowse: There have been no problems?

Mr. Hull: I have had no problems this year.

Senator McElman: In this history of the gallery has anyone actually been suspended from it or removed from it?

The Chairman: That question was directed to Mr. Hull, was it?

Senator McElman: Believe me, I wasn't pointing at Mr. Lynch. He is a fellow New Brunswicker.

Mr. Hull: Yes.

The Chairman: Would you like to be more specific?

Mr. Hull: No.

Senator McElman: Is there any discussion currently as to perhaps a strengthening of such a code and action that might be taken?

Mr. Hull: No.

Senator McElman: You feel that you have sufficient self-policing currently?

The Chairman: Does someone want to speak on that?

Mr. Collister: Well, in the revised constitution there is a section dealing with that kind of unethical practice like using facilities that are paid for by the government for other purposes, for public relations work and things like that. This is what it says:

Where a member of the gallery uses his membership or the facilities of the gallery to obtain a benefit other than for journalism, he shall be liable for a reprimand, suspension from membership, expulsion from general membership of the gallery on the recommendation of the executive.

This was put in to meet any future situation that might arise because of a different kind of person applying for a membership who may be operating in several fields as a newsman and doing other work such as public relations work.

Senator McElman: Would this apply in the case of a representative of the print media moonlighting on the C.B.C.?

Mr. Collister: No.

Senator McElman: I mean if they did their work in the gallery?

Mr. Collister: No. I think the use of the facilities for either purpose would be completely defensible.

Senator McElman: Mr. Chairman, if I could be permitted to take a little bit of time to read something here.

To set the ground for it—we have in recent weeks the report of the Federal Task Force on information in Canada and also the famous or infamous, depending upon your viewpoint, speech of Mr. Spiro Agnew and the controversy that it has created. It seems odd that in Canada the bulk of the writing and commentary thus far has been directed to what has happened in the United States rather than the report of the Task Force in Canada. The comment of Mr. Spiro Agnew and largely of the Task Force suggest that there are a relatively few think-alikes in the media field who are controlling the political public affairs news in both countries.

On November the 23rd, on the weekend Sunday Show, a free lance commentator who I suspect is known to all of you, Doug Collins, was speaking and if I could I would like to read part of what he had to say. I believe it might start some lively discussion. He said, "I have been waiting in vain for the papers to tell us what the report says about the Ottawa Press Gallery. One thing it says is that the gallery has a near monopoly in the collection of federal news."

In other words, a closed shop, and this is detrimental to the spread of information. The gallery is also "unrepresentative of the country standing as it does for a fairly small group of men in the institution.

"Further, there is an increasingly influential power block there. That situation should be corrected by letting more people into the club. Present control and construction of the press gallery is outmoded and inhibiting. Far too many agencies and responsible individuals are denied access to regular information by the exclusiveness of that control.

"The report goes on to mention that the anthropologists took a look at the gallery some

three years ago and found that 38 per cent of the members used their own colleagues as sources.

"Now, you know what is meant when stories are attributed to some back bencher and informed sources. Interviewing each other also leads to what June Callwood once called "identical inspiration." Meaning of course the simultaneous appearance in some 30 papers of essentially the same stuff all based on what the newspaper man's buddy had to say.

"It goes on to say..."

The Chairman: Are you still quoting, Senator McElman?

Senator McElman: I am reading from a transcript of the taped show.

The Chairman: Fine.

Senator McElman: "It goes on to say that the ethical standards of the gallery are undefined but the rights and perquisites of the gallery are very clear. It is strange that all this and more hasn't been written up.

"All I have been able to find has been the two paragraph treatment in news stories and passing reference, very passing, in the writing of Mr. Charles Lynch.

"How now, Sir Charles, and how now, Douglas Fisher and the other knights? The report describes the press gallery as strategic gate keepers of the federal news. Why don't its members open the gates? After all, if the C.B.C. had rated so much attention it would have been worth 20 front page identical inspiration stories complete with pictures and pointing fingers."

There are other comments which I shan't go into but could we have some comments on the points raised in this.

The Chairman: Would it be fair Senator McElman to allow everyone up here to comment on that?

Senator McElman: This is what I had hoped, Mr. Chairman.

Mr. Hull: I am not going to attempt to answer everything but there are some obvious erroneous assumptions made by Mr. Collins. The gates are not closed in the press gallery. I don't know where he gets the idea that they are. I don't know where anyone gets this idea. I don't know where anyone gets the idea that there is limited access in the press

gallery because there is not. Anyone who wants to apply can apply and my recollection is that in this year there has been nobody turned down who applied under our new constitution.

Where this power bloc is is beyond me. This business of using your colleagues as sources—well I can say frankly that I don't necessarily trust my colleagues as sources. I prefer to get my own news and if I get my own news I keep it to myself.

As far as Collins' suggestion that he hasn't read enough about this particular chapter—the strategic gate keepers of the federal news—I frankly don't think the people really give a darn about our personal little bickerings and whatnot that go on in the press gallery.

They are not interested in that or how we wash our dirty linen and things like that. I think possibly one of his problems is he thinks that we don't sit down and write about ourselves. That is not what we are up here to do because we are not up here to argue with each other. We are up here, as far as I am concerned, to cover government and parliament.

Identical inspiration—well, I have yet to find two press gallery people that thought the same thing about anything and that includes a children's Christmas party. How you suddenly get identical inspiration on major news stories is again beyond me. If similar stories appear in 30 papers, I would assume that it may be that we were all covering the same event. It's as simple as that. That is briefly all I have to say on that.

Mr. Collister: Well, I will just say briefly that I think that statement is riddled with wild exaggerations. That kind of criticism has been around here for a long time and it may have been valid some time before I was here but I don't think it is valid now.

I believe there are more independent streams of information coming out of the press gallery than at any time since I came here and this label of the club is another old label. I don't feel I am a member of a club. I use the gallery in a very minimum way for some physical services, desk, typewriter and phones, and that is all the gallery means to me.

We have to organize that space and we have to ration it on the basis of need and this

is the only limitation on membership and it is not a serious limitation. Any reporter from anywhere in this country can come to Ottawa for two weeks or a week on assignment and ask for a temporary card and get it from Mr. Hull immediately and receive all the same facilities that I have. It just doesn't stand up under this kind of examination.

It also says that 38 per cent of the sources were from other reporters. I don't go to other reporters for my information. We have a minimal exchange and like Mr. Hull I want to keep it to myself until 11 o'clock at night. The problem is rationing the space and in the revised constitution that we have, we have inserted another line to say membership would also be linked to need and in the future a committee within the gallery would look at how this would be applied—you know, who needs a front seat in the press gallery and this type of thing.

All the people who get into the gallery will have the same basic services. They will have services just like I have, telephones, stationery services, releases and that kind of thing. Just to wrap it up I think I will just repeat that it may have been true before my time but it is not true now.

The Chairman: Miss Fairbairn, would you wish to comment on that?

Miss Fairbairn: Yes. First of all, I will say that I find it very difficult to recognize the gallery from the statement of Mr. Collins. On one point, the clubbiness that he refers to in the gallery—referring to a statement that Mr. Collister made earlier—in two years there has been approximately a 40 per cent turnover in the membership of the gallery.

It seems to me it is very difficult to start forming clubs at that kind of a turnover and I just don't believe that they exist any more. I concur with Mr. Collister and with Mr. Hull in saying that I can't think of anybody who spends their time running around the gallery to their colleagues for their sources of information.

I challenge that very strongly.

On the closed shop business, I think Mr. Hull brought this point up, that to a degree the membership in the gallery is restricted by physical means. There are just so many seats you can get in a room and there are just so many seats that we have available in the House of Commons or in the Senate...

Senator Prowse: Well, there is a lot of room in the Senate.

Miss Fairbairn: This business about the rights of the press gallery—these kinds of things are considered part of our right and you can't have, for instance, 500 reporters marching into a lobby after a question period. You would have to open up the public galleries to event seat them.

As I say I just think Mr. Collins' statement on the press gallery is outdated and beyond my comprehension.

Mr. O'Neill: I would agree with everybody here and say that part of this information report in my opinion is just as impressionistic as some of our own coverage. I would add to this that in my opinion the press gallery is closed in this sense—not in the sense that anyone is barred from becoming a member, but the press gallery is a small world. Mr. Lynch travels quite a bit across the country—not all of us do. We are trapped here in a very small world and we don't always get the feel of what is going on beyond Parliament Hill, so because of that I would say that there is a degree of osmosis in the press gallery.

There is a lot of exchange of information. For instance, in my case, I consult my colleagues from the Vancouver Sun or from the West to get a better feeling of what some M.P.'s think their problems are on some of the problems of Western Canada, and they do the same. They come to me sometimes when they are writing about Quebec—so I would say that there is a degree of osmosis and I would also say that in that way the gallery is a small world and a closed world. Not because the people cannot come in but because we all live there and we don't go out in the field as often perhaps as we should.

In that sense, perhaps there is some accuracy in the kind of statement that you find in the information report.

The Chairman: Thank you.

Mr. Lynch: I would just like to comment here that this is something of a danger you run by calling people like us. You can buy these views for 10 cents. I wrote three columns on the Task Force on Information which was a 432 page document or something of that sort—roughly four pages of which were devoted to the press gallery. The rest was a major and quite stinging indictment of

government information services so I dealt, in the columns that I wrote, largely with the burden of that report, mentioning, as Doug Collins said in his broadcast, in passing, that they had been very harsh with the likes of me and with the press gallery but not dwelling on that, not making that the main point. We had covered that point in our coverage of the Task Force Report very copiously. We put out an enormous file on that report and we did cover the section on the press gallery but we didn't make it the major section.

As to your question as to why it hasn't got the attention in this country that the Agnew speech got, both in the United States and in this country and indeed around the world, I would attribute it to the credentials of the people making the charges and the way in which they were made.

The Task Force charges that are most outspoken about the gallery are largely attributed to anonymous sources. Some of them are attributed to our own editors who have as I said in my opening statement a notoriously suspicious view of their minions in the press gallery, and it's mutual. We have a notoriously suspicious view of them.

In the House stuff, I think the Task Force in its terms of reference and in the way it presented its section on the press gallery, or the fact that it is merely a recommendation or a series of recommendations on government and there wasn't a very pointed recommendation on the press gallery aspect, didn't rate with the vice-president of the United States speaking with the endorsement of the president in naming names and pointing fingers. That was dramatic and that was pointed and that was very worrisome or encouraging, depending on which side of the fence you sit on.

I similarly distinguish between that anonymity and the loose organization and impressionistic nature of the Task Force Report and this hearing here. I have made that clear. This Senate Committee with the guidelines that were outlined by Senator Davey, many of which I find quite worrisome and bothersome, but it's more specific and more pointed than anything in that Task Force Report.

I certainly took the guidelines, about which I wrote also, much more seriously as a probe into my profession, into my field, much more

seriously than I did the Task Force. I would defend that judgment.

Senator McElman: You feel then that the Canadian public should be more interested in an analysis of this Task Force Report than they should be in what Mr. Spiro Agnew had to say?

Mr. Charles Lynch: Well, all things being equal, as I put it; if the Prime Minister had said what's in the Task Force Report, or his righthand man—if he had one, if he has he might let me know—it would obviously get the attention.

Look what happened when he called us crumbs in London. There was no shortage of comment or distribution of that view and we all argued with him until we discovered that according to one poll 87 per cent of the public agreed with him and we stopped arguing as formidably as we had been.

Senator McElman: I was going to ask a question on that a little later, Mr. Lynch. Apparently a large segment of the public regard reporters, particularly when interviewing public figures, as a bunch of slobs who are invading the privacy of the individual.

Of course, the Prime Minister expressed a similar view but you covered that.

During the celebrated pipeline debate, I think the press people generally admit that they abandoned any pretense of impartiality and they did quite a job on the government of the day. The reason I mention this is that it seemed to bring in a new style of reporting plus interpreting of the news from Parliament Hill, which has been described as the broad-axe style replacing the straight reporting style.

Out of this there has also come comment on occasion that today and in recent years the real party in opposition is always the press gallery. Do you have any comments on that view?

The Chairman: Who are you asking that?

Senator McElman: In general.

Mr. Lynch: On the point about the press, again I would like to stop talking about the press gallery and talk about the press corps here. The people who write about politics, on the aspect of them adopting a natural posture of criticism of the government of the day, I

have pondered this at great length and have failed to come up with any rule of thumb or series of things that might explain it in a natural way.

I haven't found or done much better than to point out that the government of the day is the proposer of measures. It is the government of the days' performance that is up for comment and for reporting. It's the omissions of the government of the day that may be reported upon as against their commissions. Whereas, the opposition party are free of that. It's very seldom that it would occur to one to comment on some omission of failure of an opposition party to bring forward a policy.

There is a great deal more interest attached to the government of the day regardless of what party it is. This leads to much more reporting about the proposals of the government of the day than of the other parties. This leads them into the field of being subjected to comment and criticism from the opposition parties and from those of us who indulge in political commentary.

Over the years—you have heard all the descriptions about the honeymoon, when the new government comes in, and then its relations with the press allegedly go sour. At least two prime ministers of my experience, and possibly three, have left their jobs convinced that they were done in by the press, that they had a bad press, that their message didn't get through and that they would be prime minister today and would be remembered much more warmly in short term history and long term history had the press been less critical, or as they would put it, more fair in their reporting of them.

I don't agree. I don't think it is within the power of the press corps to make a good government look bad. I think the material on which we work in our reporting and in the commenting that most of us do is provided by the government of the day. We write much less about the opposition than we do about the government. It just isn't in the cards because the government is the government.

Inevitably, this mood of estrangement comes in as between the government and the press corps. I think it is a good thing. I don't lament it any more than I lament what you said earlier—that we are not loved by the public. It is not part of our job to be loved by the public any more than it is to be loved by

government. It doesn't dismay me that my relations with any given cabinet within my recollection, and I have been in this business for 33 years and I first came to the press gallery in 1947—it doesn't worry me that my relations with the party in power happen to be sour. They almost always are. I say if I can keep them sullen but not openly contemptuous, that is about as good as I can do.

It is not a good explanation, Senator, but I don't think there is an answer to your question. I don't think there is an answer to your question as it relates to the press in any country or any capital, be it provincial or federal or international. No matter how warm the relationship might be—and the relationships between the men of the press corps and John Diefenbaker before he became Prime Minister, and Lester Pearson before he became Prime Minister, was a very warm and comradely relationship. They were that kind of guy, and in neither case did it last into their prime ministership and I think in neither case was it desirable that it last or could it have lasted. There is some law at work here that I haven't been able to isolate. Your question is well taken.

Senator McElman: Yes, you raise the point of the two prime ministers feeling that they had been done in.

Mr. Lynch: I was doubtful about Mr. St. Laurent but I will include him as well. He felt he was done in, I am sure.

The Chairman: That is every prime minister.

Mr. Lynch: Well, everyone that I have known. Well, except for Mr. Mackenzie King who had such a reserved attitude towards the press that I don't think we ever knew what he thought.

The Chairman: Is there anyone else from the gallery who would like to comment on that?

Senator McElman: Well, Mr. Chairman, just on that point raised by Mr. Lynch. There was, I think, in Canada a rather substantial body of opinion that at least a group of the gallery and senior reporters generally who covered that election in which Mr. Diefenbaker lost office, and the Liberal leadership convention in which Mr. Trudeau won the leadership, and the most recent federal election in which he was re-elected Prime Minister, that

a group consciously went out to knock out Diefenbaker, make Trudeau party leader and then re-elect him to office.

You of course were singled out as one of the ringleaders of that group, Mr. Lynch, according to public opinion. Do you feel you have already covered this sufficiently or would you like to comment further?

Mr. Lynch: Well, I don't want to monopolize this hearing. If anyone else wishes to speak—I do have something I want to say to that point.

Senator McElman: I thought you would.

Mr. Lynch: Well, again, there is an elusive law at work here of cause and effect or which came first, the press coverage or the events that undid the Diefenbaker Government. I would submit of course that the Diefenbaker Government was undone from within in quite a public way. There was no mystery about the forces that were at work by that government leading to its collapse, its defeat in the House.

There was no mystery about the nuclear weapons question which was acting very heavily against the government as Mr. Diefenbaker says, and he will expound on this in his book I think; he alleges that with help from the President of the United States it's quite a story. We reported it and in reporting it we may have aided and abetted the event just as in the Trudeau thing. If we had tried to build up Mr. Stanfield and set off a wave of Stanfieldmania across the country for the swinging Mr. Stanfield, it just wouldn't have suited the personality of that gentleman. You can't do it nor can you stage a build-up if such build-ups could be incubated every entertainment figure and every stunt man in the world would be built up to that kind of figure. There is a whole science of build-up in public relations and ballyhoo trying to make the very sort of thing that happens with Mr. Trudeau, not by his particular design.

I think his people were surprised by it as everybody else was. We started to report the odd and curious aspects of his candidacy and of his personality. By reporting them I would not deny that we contributed to the wave of emotion that was built up which became Trudeaumania but I certainly deny that we hatched it and incubated it and artificially forced it. He had to provide the material. He

had to provide the antics, the actions, the words, the appearance and the kisses, and the sex, all of these things that went into that package.

We reported it and it did take off and we stand suspected by a lot of people of having built him up. But I deny it.

Mr. Collister: We should also look at it a little more deeply. There is no doubt that in the '62 - '63 period most of the newsmen were taking strong positions individually; whether they admit it or not, there was a lot of anti-Diefenbaker feeling just as in '68 the same situation arose in the other way. There was a lot of pro-Trudeau feeling on a very individual basis.

What I am saying is there was no plot and we didn't gather to arrange events. Nevertheless, this kind of personal acceptance surely must mean something to shape events.

Senator McElman: Mr. Chairman, I would like to put one more question and then I will pass on. This question would be directed to Mr. Collister.

First of all, I will refer to one of his comments that news reporting is no longer chasing fire engines. There are those in parliament and political circles I am sure who believe that you switched your practice to setting the fires. There has been a good bit of comment to the committee that the C.B.C. has great selectivity in choosing panelists for discussion of public affairs, political events and interviews with the public figures of all parties and that these come to a great extent from the press gallery and it is a parade of the same faces. Is there any such thing?

The Chairman: I wonder, Senator McElman, if you wouldn't agree that that question would be more properly put to the C.B.C. people when they come here?

Senator McElman: Yes, Mr. Chairman, I think that is fair.

Senator Hays: I should like to ask Miss Fairbairn to define freedom of the press?

Senator Macdonald: I wonder if I might ask Mr. Lynch one question before we go on?

The Chairman: Does it tie in with what we are discussing?

Senator Macdonald: Yes. Mr. Lynch mentioned the difficulties that a political commentator has. I was wondering, do you have any

difficulty in being objective in regard to people whom in fact you are friendly with or admire or respect or something like that?

Mr. Lynch: Yes, of course. This is a basic dilemma of political commentary and is one reason why there have been some things written about this, about the desirability of the political commentator or anybody who writes about politics not becoming close to the people that he writes about. I had some misgivings about coming before this committee simply because I write about the Senate and I write about people in this room and I worry that my approach to them—I might become overly inhibited by the fact that I am here and all this enters into it.

I have deliberately refrained—this sounds a bit pompous, I think, because there is nothing to indicate that any of the leading politicians would want to be close to me—but I have deliberately refrained from making that possible and getting on too close a basis, and on one or two cases—I happen to have a weak spot in that I do admire certain people and I do form these kind of attachments. I think we all do. I have found this distorting in my approach to writing about them and I am worried about it. I cannot claim to have eliminated it entirely. I can only claim to have tried to stay at arm's length from the situation.

Senator Macdonald: I recall one time some years ago when Mr. Pearson was Prime Minister that you were somewhat critical of him. You mention in your column that you had such a liking—this is not quoting but it is close—that you had such a liking and respect for the man that you found it very difficult to criticize him in any way.

Mr. Lynch: Yes, Mr. Pearson had a name for people like that or pieces like that. Many of us used to write and say "more in sorrow than in anger" and he used to say, "Well, would you get angry? Instead of my old buddies hitting me over the head and saying how much they hate doing it."

Senator Davey will remember that situation. That was a problem and I have never tried to conceal my admiration for the man and that was born of the fact that before I came here to stay I was at the United Nations covering it for the C.B.C. as their correspondent and I was covering the Suez crisis and I actually saw at first hand Mr. Pearson winning the Nobel Prize. It was a very exciting

and very stirring thing to me and meant a great deal to me then and has meant a great deal to me since.

It has, if you like, clouded my political faculty about one aspect of Mr. Pearson's character when he became Prime Minister.

Senator Macdonald: Does it not hold true, Mr. Lynch, that perhaps your not liking some other person would also cloud your view?

Mr. Lynch: It's possible. It certainly is possible. I couldn't give you an example there but I would if I could.

Senator Macdonald: I recall another time you wrote an article where you mentioned the nuclear power issue. Some considerable time after that election, it was brought out that the news men met—I believe it was with the American Ambassador in his playroom in his basement and he claimed he was just giving background information. Don't you think the public were entitled to know what was the source of that information?

Mr. Lynch: This was a very controversial issue, Senator, and you could make up your own mind. Mr. Diefenbaker made his up and accused me on television of being an agent for the American Government against my own Government and he did it with only three minutes to go in the program and the clock ran out.

It was fair game, and what happened in that incident I think is referred to in Mr. Peter Newman's book. It wasn't the American Ambassador's basement, it was the basement of Chuck Kiselyak, the second secretary of the American Embassy.

When the nuclear crisis was building up he invited a number of the members of the press corps to a party and it happened that the American Ambassador was there and it happened that the nuclear crisis question came up in the conversation.

Senator Macdonald: Just a coincidence?

Mr. Lynch: It was certainly no coincidence, Senator. The import of it, I would perhaps argue, was not apparent at the time and didn't become apparent until some time later when Mr. Diefenbaker openly charged that the American Government was conspiring to overthrow his Government. It hadn't reached that stage at that time.

I subsequently disclosed this much later, as Mr. Diefenbaker said, and he brought the

charge that had you said that at the time things might have worked out differently.

Now, I wouldn't attempt to appraise that situation but I would simply agree that these were the circumstances and whether we acted badly in not disclosing, not rushing out and shouting "We are being corrupted by the Americans against our own Government" the ambassador's briefing didn't take that form. It wasn't a briefing about the evils of the Canadian policy. It was a briefing about the merits of the American policy of that time. This was on the question of stationing of Bomarc missiles and the controversial point as to whether or not the Canadian Government had agreed to do so.

I wouldn't want to go beyond that but your opinion on what the right or wrong thing to have done would be as good as Mr. Diefenbaker's or anybody else's.

The Chairman: Senator Hays?

Senator Hays: I was wondering if Miss Fairbairn would define freedom of the press. I should perhaps enlarge on this, the press has always been free, but in these hearings so far we have heard a great deal about freedom of the press.

Some of the briefs have mentioned it as many as six or seven times. I would just like to know how the panel defines freedom of the press. How far do you go and that sort of thing?

Miss Fairbairn: Well, I have been scratching down some things. Right off I should say freedom from censorship of any sort. To me this is extremely important and happily doesn't really come to the fore in Canada. Another would be freedom of movement in your attempt to get information. In our job on the Hill, we have a great deal of freedom of movement, including lobbies and this kind of thing and ministerial offices.

I think also this implies that the press itself must use their own discretion in not abusing this particular freedom. I believe a reporter must have freedom to use one's own judgment in writing a story and not have it imposed upon him by anyone else.

Freedom of access to a politician, to the policy makers, and sometimes I think in Ottawa that we have a little less freedom of access than we should have perhaps. I believe we should have more.

Basically, the freedom to publish of course and freedom to respect the confidentiality of your sources, and particularly in the case of someone like Mr. Lynch, freedom to express your own opinion.

Another thing I would put as a freedom of the press and which is becoming increasingly important and maybe really hasn't been included in the past definition is the freedom to get the fullest possible background information and this is a very important part of our job on Parliament Hill.

I have been here seven and a half years now and it has become increasingly so because things are becoming increasingly complex and very often we have very involved briefs thrown at us and we are supposed to dash it off and hit a deadline with it, often without officials standing by to answer our questions and things like this. I think this was brought out in the Task Force Report as well, that a great deal more should be done along this line.

I mean, we are not Einsteins, we are not PhD's of any sort so we definitely do need help in getting background to information. I believe this should be done to a much greater degree.

Finally, and I couldn't leave this out as a female, freedom from discrimination. This is fairly basic and this is a very, very happy place to work in that respect.

Senator Hays: I would ask Mr. Collister how he defines freedom of the press?

Mr. Collister: Well, a little more briefly. I have just scribbled a few notes down—access to all reasonable information and the right to use that information responsibly and without censorship for the benefit of the public.

Senator Hays: Well, in this context responsibility-wise, do you feel that it would be of benefit to the press to have a national code of ethics that many professions have, for instance like the Bar Society, the medical profession and all this sort of thing?

Mr. Collister: I think ethics in our business—mainly—have to be self-imposed. I think it is something that you feel and you really have to impose on yourself. I think something along the lines of a press council might have a role in this area. This operates in Britain and gives an opinion on lapses which is very effective with a moral authority

on the whole media group. Something like that I think might work quite well but just to repeat the other point it is basically a question of your own conduct, your own attitude. You can get and find all kinds of ways to be unethical if you are that kind of a person. It is something that has to be self-imposed.

Senator Hays: Well, would you enlarge on that? I think that the National Press Council of Britain at the moment are censuring...

Mr. Collister: Well, there is a case but I am not aware of any recent cases. But if there is a questionable story in the newspapers that really gives offense to a lot of people, it can be referred to the Press Council which is set up in cooperation with the newspapers themselves and they give their opinion after hearing all the pertinent evidence on whether there has been an ethical lapse.

I am not exactly sure of the details of how it is set up but I believe that is the situation.

Senator Hays: But you would be in favour of a National Press Council?

Mr. Collister: Well, we could consider something like that. I don't really know. If you are thinking in terms of some outside body to look at the question of ethics, I think something like that set up with the cooperation of the media people who police themselves would be the best approach.

Senator Hays: Do you feel it is necessary?

Mr. Collister: I don't really think it is necessary. If the public thinks it is necessary I think one then has to consider that kind of thing. I don't think it is necessary. I think we have been talking in our own area of ethical conduct and Mr. Hull has found great difficulty in finding any cases and I was having the same difficulty.

I am not saying we are pure because there must be a lot of unethical conduct going on but it's not that size of a problem as far as I see it.

Senator Hays: How do you feel about it, Mr. Lynch?

Mr. Lynch: I wouldn't want a codified code of ethics for the profession or the craft or whatever you choose to call it. We do all our work in public, perhaps as much or even more than politicians do, and everything we write and everything we do is available and happens out in the public and can be judged.

I think if one operated as a scoundrel in that milieu he would be immediately judged as one by the public. It is the consumer's right. I think the question of being called to account is an important one and an increasingly important one. I was called to account before the Press Gallery Membership for what was regarded by a majority as a breach of ethics. I didn't mind being called to account because the act I had taken was a deliberate act and the machinery that came into play was machinery that existed. I did doubt though that the body that was judging my ethical conduct was the right one since it was composed so largely of my competitors and people with whom I had no standing on the basis of even professional admiration because we admire one another even less than the doctors and lawyers do, Senator, or even possibly senators do.

I felt then, and this was the basis for the feeling that I have come to, that a press council would have a place in Canada. There are certain difficulties about it because of the geography and I have become convinced that a national press council sitting in a central place would not be feasible in this country because it would be rather grotesque for that council to be considering a case in Vancouver that happened in St. John's, Newfoundland; so I have come to think that if the press council idea has any merit, as I believe it has, it must be on a regional basis. It must be on a regional basis rather than a national one as it is in Britain.

If I say it is becoming more and more important because there are forces at work inside the business or profession or craft. I go back at what Mr. Pierre O'Neill said at the outset, and I thought he went much further than I would care to do, about being reserved about our rights because we work for people that make money. He was implying that the mere fact of having enough money to own a newspaper doesn't give a man a God given right to set the tone of that newspaper and to control the medium of information and opinion of that potency.

There are a lot of things and if you call enough newspaper men before you you will become aware of some of these things that are going on at the working level, in which a number of reporters and the people who write the news are expressing some misgivings about the treatment accorded to the stuff that they write; their copy as it goes into the

newspaper. It has even reached the stage in some of the negotiations with the American Newspaper Guild that if a man's story is altered in any way that his name must come off it and that it must not be published under his byline.

As I talk to a lot of the younger people coming into this business, and I think the standard of recruitment is increasing all the time, this feeling I judge is something that is going to increase and the practitioners are going to take more and more of an interest and demand more and more of a say in how their stuff is presented to the public. This, if you like, is partly the influence of television and one of the beauties of television for the reporter or the commentator is that once you are up there and they turn the camera on there is nobody between you and the public. There is no editor, there is no proprietor, there is nothing. You are in business. You are in touch with the people on whatever you came to report or say.

The younger element in newspapers, some of them—I don't say this is a mass thing—are beginning to think somewhat the same way. If there is a responsibility, I believe the responsibility has to rest somewhere. If it is going to be spread around somewhere inside the newspaper apparatus, there will be somebody looking on because young reporters can be even more misguided and desperately wrong in their judgment about what is right or wrong than editors or publishers can be.

I think, as this trend continues inside the business of news reporting and the business of some papers—this is particularly true I think in Quebec where there are signed editorials on the editorial page in which the management disassociates itself from the views expressed. It is done in the signed editorial on the editorial page.

It can be argued that the public interest demands of course some sort of a quasi-judicial apparatus that would judge in extreme cases of misjudgment or malpractice.

Senator Hays: Do you feel that editorials should be signed?

Mr. Lynch: No, I don't. I am old-fashioned enough to think that the editorials should be the views of the newspaper. I think Pierre O'Neill may correct me on the situation in Quebec but the idea of signed editorials has been current there for quite awhile.

The Chairman: Well, we had quite a useful discussion of that last night by Claude Ryan.

Mr. Lynch: There is another thing that has come up, this personal journalism of which I am a practitioner and which is an ancient part of newspapering as well in other countries. It has been less so here. The idea of the political column was not very fashionable in this country till 10 years ago. It has always been a basic part of the business in the United States, in Britain and in Europe but it has a fairly recent history here.

Now, that is another element usually on another page than the editorial page; but I rather like the idea that the paper says it and here is what it says in the editorial.

Senator Hays: Do you feel then that in your particular case, what you say should also be put on the editorial page?

Mr. Lynch: Oh no. I think it probably should not. A page has been created in many newspapers just for this sort of thing, opposite the editorial page, where features and background material and columns appear.

I think that is the proper place. The mood of the page is different. I can say things, I can do things in print that the paper can't really do. If you read the thing you will see what I mean. I can resort to humour and anecdote and all sorts of things in a personal vein that just don't lend themselves for treatment when the paper is speaking.

Sometimes the paper will have an editorial writer who writes in a lighter vein and his things usually very quickly become recognizable and he usually winds up becoming a columnist opposite the editorial page but I would certainly think that a column such as mine is better on the other page which has come to be known—there is nothing sacred about this—as that kind of a page where you get reflective stuff of a more personal kind than you should expect from the editorial columns.

Senator Hays: Mr. O'Neill, in this same context, a man has been charged with rape and later is found innocent, but he was named in the newspaper and it is in this context that I mean a code of ethics—for someone who is charged with a crime and that sort of thing.

Do you think there should be a national code of ethics to just prevent this sort of

thing? Once he is tabbed, he is probably guilty. So many people say that "Where there is smoke there is fire". So he is already guilty insofar as the public is concerned.

Mr. O'Neill: Well, I would agree that a national press council of some sort would be very useful. As Mr. Lynch has said it would be very useful and sometimes necessary. My reservations are the same ones.

I think that it may not be practical if it is on a national basis for all the reasons that he mentioned. I understand that Mr. Ryan yesterday dealt with this as well. Any press council really to be efficient should be regionally based but certainly I would have no objection to a press council to deal with the sort of faults that you mentioned.

Senator Hays: Mr. Hull, on the structural makeup of the Parliamentary Press Gallery what are your views on that?

Mr. Hull: Whether we should have a code of ethics in the press gallery?

Senator Hays: Yes.

Mr. Hull: No. We couldn't ever possibly agree on one.

Senator Hays: Well, let us take an example. When Parliament adjourns and news dries up and you decide to make the cabinet over and it never happens?

Mr. Hull: Maybe we could convince the Prime Minister he shouldn't do it.

Mr. Collister: That doesn't mean that the story wasn't valid when it was written.

Mr. Hull: Yes, they often change their minds. I wouldn't classify that as a breach of ethics just because somebody writes a speculative story and it doesn't come true. If that was the case, we would be spending all of our time appearing before the press council.

Senator Hays: You mean in the making of the news?

Mr. Hull: No, I am saying this hypothetically. Somebody could always accuse us of writing a speculative story if they didn't like it.

Senator Hays: Do you believe that outside of the press gallery there should be a press council?

Mr. Hull: I support entirely the view expressed by the Windsor Star yesterday

where Mr. Farrell supported the three levels of a press council.

The Chairman: Senator Sparrow?

Senator Sparrow: Mr. Lynch mentioned in the early stages that there were some areas of concern or some areas that were worrisome, I believe he said, in the guidelines from the committee. Would you like to elaborate on that?

Mr. Lynch: Yes. It is not very profound, Senator. I mentioned this earlier this morning. I worry about the very fact of the people that we write about calling us to account, in effect, as is done in the guidelines, and probing beyond the question of ownership about which I spoke earlier as well; we must all give accounts, proprietors and workers alike.

I worry about the players calling the critics before them. I worry about the usefulness and I worry about its inhibiting effect upon the critics. And the guidelines—it seems to me that when they go into the area that we are into now—I am enjoying myself enormously—but I still have a feeling of unease. That is, it is the Senate that is doing this and that I may want to go out of here this afternoon and for good and valid reasons have something to say about the Senate on some other matter—this might be an intrusion into the question of my absolute freedom to approach a question without prejudice.

I had that misgiving when I read the guidelines and I pointed it out in a piece I wrote and then I swallowed that misgiving and said "Well, darn it, if we are going to insist upon the kind of freedom that I insist upon then we are callable to account."

I think that the whole of the newspaper business and the media in general reacted in the same way. It could have reacted in another way. There was a bitchy way to react to the guidelines as well and it was interesting I think that I don't think anybody did. Everybody, I am sure, had the same twinge that I had, of misgiving, when a public body like the Senate, and particularly the Senate because I don't think there is any body that I have written about so consistently in a critical vein as the Senate, suddenly saying "Okay, you come on. We are going to ask you some questions." And possibly—I think some of the witnesses who appeared earlier expressed some misgivings about what you may do. You may come in with recommenda-

tions about the framework within which people like myself operate or you may take the initiative, and I think it would be commendable if it was the Senate that took the steps to establish a press council.

I would hope that maybe somebody else would beat you to the gun on that one so at least it would not have this quasi-official origin of coming from a public body. If it doesn't work out that way and if you do have the initiative, nobody else will bell the cat, then it is there and obviously you gentlemen will make what you like of it. That is what I meant by misgivings.

I thought that once they went beyond proprietorship, which I agree is an legitimate subject of public concern—and I work as you know for one of the largest groups of newspapers and I argue that they have enriched the papers rather than impoverished the papers that they buy—but that's another matter.

I thought that as an extension of the Combines Investigation Act of the law of the land, that was a faultless area, but once you came into the area of freedom of the press and my professional attitude and qualifications and that sort of thing, I spoke a little bit about it.

Here we are and we are doing it and that is what I meant by misgivings.

Senator Sparrow: In your remarks on concentration of ownership—would you like to elaborate on that a little further? Are you suggesting that there are areas where we should have in-depth studies and that type of thing?

Mr. Lynch: Well, I am quite sure you are going to do that. The guidelines are very specific on that and you will be calling all the witnesses that will speak to that question. I wouldn't want to discuss it in any way except possibly in response to questions about how I might think it affected the news content of the paper and there I could talk only about our own—about the Southam Newspapers. I could make the case from my own conviction that by spending half a million dollars a year on the operation in which I am involved, which is only a small part of the Southam News operation, that any given paper is a richer paper in terms of news content from our own Canadian sources, national and international. It is a richer paper than it could have been otherwise.

I would argue for the enriching aspect of the pooled budget of a half million dollar

operation operating for 11 papers rather than each paper trying to sustain its own bureaus in Ottawa and around the world which, in many cases, would be impossible.

I have a vested interest in that and I think you would be more interested if I was indicting the company and saying that I think it has been a poisonous influence in the news business of the country.

The Chairman: Well, the Southam Company is coming after Christmas as you know.

Mr. Lynch: Yes, I realize that.

Senator Sparrow: To branch out a little further. The group here today represents news gathering on a national basis, particularly as it affects the Federal Government, and it appears to me in our hearings that we are not going to be getting down to the grass roots reporter particularly as it affects the weekly magazines. What influence economics and perhaps politics plays in the news gathering, in the reporting and editing and headlining of news in all papers but in particular, say, weekly magazines.

Some of you have come up through the ranks I think of weeklies, and small dailies and so on. Do you feel from your experience economics and politics play a part in these areas of gathering and publishing, et cetera?

The Chairman: Are you talking specifically about news magazines?

Senator Sparrow: Weekly newspapers more than anything else.

The Chairman: To whom did you put the question, Senator Sparrow?

Senator Sparrow: To anyone who might care to answer it.

Mr. Collister: Well, I have no experience of weeklies or magazines. I think it is fair to say that economics and politics do have an influence on the policies of newspapers and the ways stories are played. There is always the strong advertiser influence—a good advertiser seems to get better results than others—and it takes a certain political position as a matter of course. And a man of that political coloration might get a better deal.

That is the kind of political and economic influence I would say.

Senator Hays: In that context you do believe that there are pressures then?

Mr. Collister: Well, they are not spelled out. They are there. Most newspapers have a political label and they may try to hide it but it is there. It would seem to me having a little experience here, it might be easier for a Conservative candidate to get a play in a Conservative paper than a Liberal candidate.

Senator Hays: Are you saying three pages of advertising might influence the newspaper?

Mr. Collister: I am not saying that.

Senator Hays: For the politician for instance?

Mr. Collister: No, not for the politician, for the advertiser. I can't spell out cases but obviously a good advertiser gets a better hearing than somebody else.

Mr. Hull: I disagree. I think that's nonsense. I have never known a case in my life where I could care less what an advertiser wants, and I don't think our paper ever cared less what an advertiser says.

Mr. Collister: Well, I think you are being just a little bit idealistic.

Mr. Hull: No, I am not.

Mr. Lynch: Well, if you won't spell out cases—I believe you should. I can spell out a case in reverse. Lawrence Freiman, who is a distinguished citizen of this City and a major advertiser in the papers and a friend of mine, has often come to me and pleaded with me and said, "Can you get the Citizen to at least treat me like any ordinary citizen"—that is the Ottawa Citizen—and they have written critically about him in connection with—I think the latest example has to do with the Art Centre, but he has had several cases in which he was written about in the paper and in every case he was frantic saying "Somebody over there isn't treating me properly. Just because I buy 18 pages of advertising, do I have to get kicked around this way".

There is a case of the reverse influence.

Mr. Collister: Well, would you agree with my original statement?

Mr. Lynch: No, not in my own experience. This is a very broad and deeply based suspicion about the newspapers and all I could say is that I have not seen it operate since my days in the St. John's Citizen, Senator McElman.

The Chairman: Did you see it operate then?

Mr. Lynch: Yes, I did. You have forced me now to go on. This was a small struggling newspaper which wound up being owned by Mr. K. C. Irving and sold by him to the other paper which he subsequently acquired.

I think I would have to say that our treatment at that time of the Irving interests in that small struggling paper, certainly perhaps before the present proprietor happened to bring him in and get his bankroll working in the hopes that that paper could go—it didn't—it lasted only three years, were similar to—I think you mentioned the pressures and the question was asked in connection with weekly newspapers. It used to be a dream in my business—every newspaper man wanted to grow up and own a weekly. That was thought to be the place where you achieved freedom beyond your wildest dreams.

You will be talking to weeklies here but I gather from talking to my colleagues who become proprietors in the weeklies that the economics of that business are so treacherous and so difficult that they become obsessed with it, and without being told to be nice to anybody they are just nice to people who are going to bring something into the till.

This is of course, unless they want to commit suicide. Now, that is not true of all weeklies. There are some very prosperous ones but the small weekly. I think is terribly sensitive to community pressures of all kinds.

This is not true of the dailies. Certainly, when you get into a further broadening of the base—I work for 11 papers of varied political views—you become completely free of it.

One of the beauties of what is sometimes called the chain operation—we prefer to call it a group operation—is that whatever the prejudices of one or the other of those news papers, they don't reach me in a meaningful way. As long as I can get and keep them all fighting among one another politically and every other way I am free to an abnormal extent to report the news as I see it.

Senator Hays: As a reporter have you ever been asked to just lay off this in your lifetime?

Mr. Lynch: No. Not since Saint John.

The Chairman: Mr. Collister, would you like to add anything to this?

Mr. Collister: No.

Senator Sparrow: Just one further comment. You mentioned that weekly newspapers were coming but it's just the weekly publishers themselves not the news gathering people.

The Chairman: Well, in the weeklies it's often the same people and I would say, Senator Sparrow, that we have some working press people coming here from the dailies, from the radio and television stations and in the case of the weeklies we are having an open forum to which we have asked every weekly publisher in the country and we have been heartened by the response. And as Mr. Lynch points out quite properly, very often with the weeklies the publisher is the working press man as well.

Senator Prowse: I am a little concerned about this question of the idea that advertisers can kick newspapers around. Would it be fair for us to assume that this is one of the myths that come out from the day when you had many small papers locally set up and the publisher of the paper and the advertiser were probably good friends—back in that era like your Saint John episode?

In other words, this is a carry-over where the sins of fathers are being now felt by the present generation. Would that be a fair statement?

Mr. Lynch: I would hope it is. It is fair in my experience. I would suggest that you are asking the wrong people here and that you will have witnesses who are more qualified than us. If you wanted to ask about political bias I think that would be fair.

The actual operation of a newspaper and the pressures that exist on the getting out of a paper are not pressures that come anywhere near me or anybody else on this panel.

The Chairman: Senator Everett?

Senator Everett: Mr. Chairman, I would like to ask a question on the concentration of ownership because these people have powers in the editorial world. I would like to hear their comments but it may be off the subject as far as you concerned.

The Chairman: What specifically did you want to ask? Are you concerned about the concentration?

Senator Everett: Well, Mr. Chairman, I would like to address my question specifically to Mr. O'Neill. When Mr. Ryan was here last night he made the case against chain owner-

ship. He said that it tended to create mediocrity and that the chain owners restricted the use of features and services by generally employing one service and distributing it to all their papers.

He also mentioned that the chain owners were concerned really with the dollar and not with the editorial quality, that the publisher and editor of a chain-owned newspaper quite often suffered from a subtle form of intimidation; that the staff of chain-owned newspapers had a minimal community interest and very often were from outside the community and had little knowledge of the community.

Now, I am not sure that I am reporting him exactly because he spoke in French and I don't understand French and the translation didn't come over quite as fast as I think it might have so I apologize if I am not quoting him correctly. I think, that that is what I got out of it from what he said.

He went on to say that while he was opposed to chain-ownership, when we asked him what he thought should be done, he said that he didn't think it should be done away with but perhaps there should be a community participation up to say 50 per cent of the value of the newspaper involved.

Now, the chain-owners of course will tell you that they have saved many newspapers from going under; that they have made newspapers that were hobbling along with minimal profits or even losing money, into very profitable operations. As a result of that they have been able to commit more funds to increasing their editorial quality, that they themselves because they had interest only in the dollars and minimal interest in the editorial quality are prepared to allow those editorial persons to determine the quality of their papers and that they are really through chain-ownership giving the public a service and improving the quality of our newspapers.

Now, I apologize for the preamble but I have two questions.

The Chairman: Well may I say, Senator Everett, before you put the questions which I think you should put I think I will say to the people who are here that they should feel free not to answer the question. I think that is the kind of question which given the nature of their presence here today—you shouldn't feel compelled to answer it.

At the same time if any of you wish to comment on it, that is also quite clear.

Senator Everett: Well, my question would be this. Does in your judgment editorial quality suffer through chain-ownership and whether it does or does not would it be wise, would be in the best interest of the public if the chains were required to permit a percentage of community participation—that's not public participation, that's community participation as Mr. Ryan defined it? I direct that question to you, Mr. O'Neill, if you wish to answer it.

Mr. O'Neill: Well, in answering, I will be very brief. In answer to the first question, I can only speak about my experience of reading for instance, Quebec newspapers. The concentration there is very recent. I wouldn't agree with Mr. Ryan that since we have this concentration the quality has deteriorated very much. I disagree with this. I am not saying that the quality has been better but I don't agree that the quality of newspapers who are in this concentration now has deteriorated since a year or two.

On the second question, I think I would agree with him that community participation would be essential if we wanted to avoid uniformity, and especially important in Quebec. If columns are going to come from English Canada or from the United States and if they were the only ones that we would be able to read in French Canadian newspapers, I think that is a great danger and therefore I would agree with him that community participation would lessen that danger and correct partly the problem of concentration and uniformity.

The Chairman: Is there anyone else who would like to comment on that?

Mr. Lynch: Well, I have said quite a bit about this from the news side; you will be hearing from the witnesses on the proprietorship side but I would simply want to say something that bothers me.

There was an article written by—I think by Mr. Ken Lefolli of Saturday Night addressed to you I believe, Senator...

The Chairman: Yes.

Mr. Lynch: Before this hearing started and he made a reference to canned news and I found that objectionable. I got the same tone in one part of your question, Senator, that somehow the kind of news that is inflicted on

group newspapers in a group way is negative and cheapens the paper.

Senator Everett: That was the impression I received.

Mr. Lynch: I would want to make the counter argument and say that the kind of news and I think you have to consider your groups, as I am sure you will, your chains individually, because they are not like one another at all. Ours is the only one, the Southam, that does maintain a news service in a formal and recognizable way and with a formal and very recognizable and very sizable budget.

I would argue that far from impoverishing that paper or changing its character for the worse, the opposite was true. By spending these sizable amounts on completely Canadian coverage, that is Canadians competing with news agencies around the world and sustaining as many bureaus as we do, that this is an enriching factor.

Senator Everett: Do you have a view on community participation?

Mr. Lynch: I would prefer to leave that. I think this would be a basic question that you will be asking the proprietors and I would leave that up to them. I would have some ideas of what the answer should be in our case but again, its not my area. I find that our papers are very much involved in the communities in which they exist and some of them of course are very old papers.

Under the present proprietorship, the Southam newspaper group is unusual in that sense.

Senator Everett: One of the things that worries me in the course you are taking—I just want to mention this and then drop it...

The Chairman: Is this a question?

Senator Everett: No, this is a comment. One of the things that worries me is that we have heard this from the editorialists before, that that is the problem of the publisher or the proprietor or the chain owner, and it seems to me that we are going to get generally one view from them. They have roughly the same interests. Mr. Farrell yesterday demonstrated that there can be disagreements but generally we are probably going to get the same view from them. I wonder if it is not a mistake for you to take that attitude and whether or not

it would be better for you to weigh in and to put your views on the record.

Mr. Lynch: Well, my job with the proprietor is simply to extract as much money from them as I can for the reporters that work for the news services.

I have been sufficiently successful at that but some of them think that I am some kind of a maniac and I love that and I make no apologies for it.

Certainly, if I can double the budget again in the next 10 years or more I will certainly try to do it. The point is that prior to this decade we have just finished, it would have been impossible because there existed among Canadian publishers the thesis that news was something that came up with the rations, that you didn't have to pay for it, particularly world news. They have got over that now and they don't think that way. Something took over—either sanity prevailed or they have all gone nuts or something.

They are spending money on news and it is my job to egg them on. I simply say that we have had a measure of success.

Mr. Collister: It is not really related to the main question but my observation of the chain system in action, it does produce, I think, fewer informed reporters. What happens is that for economic reasons they decide, say, to cover a national story in the Yukon with a Yukon reporter instead of sending someone from Ottawa who knows his field because this makes sense in dollars and cents.

I am not sure whether the public in cases like that gets as good service as they did before.

The Chairman: May I put a question to Mr. Hull. Presumably, and I think you have already stated, there is some type of a bylaw in your constitution—that is the constitution of the press gallery—which disallows a member of the gallery, or the national press corps as Mr. Lynch prefers, from having some other activity which you regard as a conflict of interest.

Presumably if a member of the gallery was on a retaining fee from let's say some national association who are lobbying a particular position that would be a conflict of interest, would it not?

Mr. Hull: Well, I don't know. I think we have to be very careful...

The Chairman: Well, let's take a hypothetical question. I don't really want to say it's a hypothetical question but supposing drug manufacturers or the drug industry were to retain a member of the gallery for public relations purposes. Would that be a conflict of interest?

Mr. Hull: I would think so. Defining public relations and making sure that we don't infringe on what a man does in his own private life outside the gallery.

The Chairman: Well, the interpretation you gave us earlier was—if I understood it—if it is journalistic activity it is fair game.

Mr. Collister: The cut-off point, Senator, is when government-paid-for facilities are used to promote some other lobbying or public relations interest. What a man does in his own time at his own expense even if he is a member of the press gallery surely would be in a different category.

The Chairman: Surely there are instances where members of the press gallery are covering events—committee activities for example or indeed debates of the House of Commons when legislation is being dealt with, which may or may not affect a particular interest—wouldn't a reporter—have a vested interest if he was on a retainer from that company?

Mr. Collister: Yes. This is a question of ethical conduct. I don't believe the gallery can go into a man's private life and that type of thing.

Senator Prowse: We weren't asking you about the gallery because you are not here as the gallery.

The Chairman: Except, Senator Prowse, I am asking Mr. Hull in his capacity as president of the gallery. I am just curious to know what steps are taken to check on that kind of activity on the part of the members of the gallery?

Mr. Hull: You can't check it.

The Chairman: So presumably there is no way of knowing whether a member of the gallery has some outside vested interest in some kind of activity which he is covering?

Mr. Collister: But I think it is fair to say that if information is brought in we would look into it.

Mr. Hull: Yes, Ron, if it was brought in.

The Chairman: It has been brought to your attention?

Mr. Hull: No, if it was brought in.

The Chairman: What would happen to that person?

Mr. Collister: Well, I don't think it has arisen.

The Chairman: Is it a totally hypothetical question?

Mr. Collister: No, I am sure there are people around the press gallery who have some other interest but whether they conflict or not I don't know. If a case was brought to the attention of the committee they would have to look at it and give it their attention.

Senator Prowse: I am interested in—you write, Mr. Lynch, for 11 newspapers?

Mr. Lynch: Yes.

Senator Prowse: I believe you write a daily column?

Mr. Lynch: Five days a week, yes.

Senator Prowse: A good reasonable week. Do all of the papers carry all of your columns or is there some selection by the individual papers?

Mr. Lynch: They have the complete freedom of selection, Senator, and it varies from paper to paper. I think it is fair to say that the bulk of the papers carry it as a regular feature. Not all of them do so.

Senator Prowse: Then in your attempt at objectivity, and I give you full credit for attempting as a professional to get this, it's not possible in every column which you do to reflect complete objectivity in your view of public figures?

Mr. Lynch: Well, the word objectivity is a bit hard to define here.

Senator Prowse: Well, we know what we are talking about.

Mr. Lynch: One tries to be—I would prefer the word fair.

Senator Prowse: All right, fairness. Let's take fairness.

Mr. Lynch: If you are out to deliver a pointed comment it is going to wind up that way if it is any good at all.

Senator Prowse: Do all of these papers have the same political view?

Mr. Lynch: No. No, they don't. I think again you will be hearing more about this when the Southam witnesses are here but there is a tradition in the Southam papers, and there has been for years, about editorial independence. They are all over the map politically and sometimes they change from direction to direction.

The Chairman: May I interrupt you just one moment.

Mr. Lynch: Yes.

The Chairman: Last night when Mr. Claude Ryan was here, we talked about this and he referred, if I quote him correctly from the translation, to a "somewhat guarded kind of freedom". Would you comment on that?

Mr. Lynch: I wouldn't say so in terms of politics or the editorial tone of the papers. The head office in the Southam company has always been to me almost unbelievably detached from what the papers are doing editorially. They boasted about this in their company's prospectus and in their annual report. Sometimes it has even been suggested that this hasn't been very enlightened but they have insisted upon it.

I suppose, if you want to put it this way, it makes my work easier as a political commentator in pitching down such a variety of bowling alleys and as I say even if they wanted to impose a direction on me there would never be any unanimity and it has never come up.

Senator Prowse: Well, the question that I am getting at is this: Have you noticed that there has been a tendency for them to either select or to reject columns? Does this selection or rejection—do you have any knowledge as to whether or not they are keeping them?

Mr. Lynch: Oh yes. I check the usage and of course as a practitioner I would be delighted if they used them all. Either as a columnist or the chief of the news services, I have no say in what is done with our material when it reaches the papers. In fact, I have always sensed that they are much more critical of our material than they are of material that they get for example from the Canadian Press or from their own reporters. They are hypercritical of our material perhaps because

it costs them so much money; perhaps it is again this exercise of individual participation and they lean over backwards to find fault with us because we haven't done something or because we have overdone something. This is the sort of judgment that comes into making up a newspaper.

Senator Prowse: Or the man who lifts his head above the ordinary level can expect to get it chopped off?

Mr. Lynch: Well, as I say, everything we do is done in public to the ultimate degree.

Senator Prowse: Have you noticed that there is a tendency in selection of the material or the selection of your articles to reflect the political thinking of the particular paper?

Mr. Lynch: I don't think so, Senator. I had an exchange with one of our newspapers about this; it was the one and only time in 12 years when I was worried about it and we haggled about it and again it was a judgment value. The paper in question told me at that time that the reason the column wasn't being used was because it wasn't very good and if I ever got around to writing a good one they would use it. I didn't like that very much but it was a pretty pointed answer.

Senator Prowse: Believe it or not, I have heard the same thing but not about you.

In other words you would say your image in which you have a vested interest of appearing to the public as a reliable and fair person has not been infringed upon by the editorial right or the exercise of the editorial prerogative of the various papers.

In other words they just don't take the things that are favourable to their point of view and reject the ones where maybe you might be kicking somebody?

Mr. Lynch: No, they have complete freedom to do that.

Senator Prowse: They have the freedom?

Mr. Lynch: I haven't suffered from that.

Senator Prowse: In that you have not felt at any time that your own personal image has been hurt by the prejudicial selection of an editor?

Mr. Lynch: Well, any time they spike a column by not running it they are hurting me to the quick. They are hitting me in my most sensitive spot.

Senator Prowse: But what I am getting at is that in a particular paper is it giving the public a different image of Charles Lynch's column?

Mr. Lynch: In the one incident that I mentioned my complaint was based on that sort of misgiving and as I said we argued it out and I got the reply that I told you about. It was rather unanswerable so the matter ended and the problem ended and they didn't continue to spike the column.

Senator Prowse: They ran it instead of spiked it afterwards, did they?

Mr. Lynch: Well, an election intervened and this was part of the background.

Senator Prowse: Now, I would like to give the same kind of question to Miss Fairbairn. You are not writing a signed column, you are sending news?

Miss Fairbairn: Yes.

Senator Prowse: Now, in the selection of that news you are going to have a column one day that may be favourable to one political thing and over a period of time you will try to get a balance but you can't do it all at one time. You can't do it all in one story, can you?

Miss Fairbairn: Well, I can answer your basic question very simply, Senator Prowse. In the five years that I have been working for the papers in F.P. Publication, I have never on any occasions been directed to write a story in a certain way and I have never noticed the way my stories have been played in the various papers. There has been this selective process but this is sometimes a thing that all of us have a large gripe about, that sometimes our stuff doesn't get used on a particular day and nine times out of ten that is the basic problem.

Senator Prowse: Your best paragraphs are always killed.

Miss Fairbairn: There is very little or no interference in our stuff from Ottawa.

The Chairman: Miss Fairbairn, I don't want to be technical but you said nine times out of ten. Does that mean that one time out of ten it isn't?

Miss Fairbairn: No. I get very hot under the collar about this.

Senator Prowse: Now, Mr. Collister, you have a very difficult job because as I said to somebody yesterday you have 100 bosses—you have what; 22 million?

Mr. Collister: Yes, whatever the figure is.

Senator Prowse: What technique do you use or what criteria do you use in order to maintain—let's say fairness instead of...

The Chairman: I am delighted to let Mr. Collister answer that but I want to say that there are corporations coming and I am sure those are the kinds of questions we will be bringing up then. If you would like to answer you might as well.

Senator Prowse: I would sooner hear the newspaperman—the guy who writes the stories rather than the guy who buys the services.

Mr. Collister: You are right. I am committed to presenting what is happening in the fairest possible way. What this involves in a day by day sense is to establish what seems to be the main news story of the day and sell this to the C.B.C. people in Toronto, if this is in fact a news story, and nine times out of ten they will accept it. They will accept my judgment and this puts a responsibility on me and it is a very sensitive responsibility because you can never please everybody and there is obviously criticism from time to time. But if anyone criticizes me I consciously absorb the criticism and see if they have a point and over a period of time I try to put the record straight. You can't achieve, you know, this idealistic fairness all the time but I consciously work at it and maybe I succeed and maybe I don't.

Miss Fairbairn: Senator Davey, if I might at this point I would like just as a matter of record to clear up something that the committee may have read in the Task Force on Information in the section again dealing with the press gallery.

In this discussion of groups or chains or whatever you want to call them our operation here is set up completely differently from Southam.

In the Task Force on Information it says the Max Bell newspapers (Free Press Publications) have one correspondent accredited to the gallery. Some of the papers in this chain have men of their own there as well and just for the record I thought I would jot it down

exactly; I thought I would tell you that for all the papers in our chain, the total strength of the press gallery is 17.

The Chairman: So you think the Task Force is quite misleading?

Miss Fairbairn: Well, yes.

Senator Prowse: May I ask just one other question?

The Chairman: You may, Senator Prowse, but I would just like to say before you put the question that I am going to try to adjourn—there is a great deal of interest in this session, however I am going to try to adjourn by 12.30.

Senator Prowse: I am assuming that we all generally agree on what is meant by freedom of the press but it seems to me that there are three aspects to it.

One is the freedom of the public to be fully informed. Two: the freedom of the writer to write what he believes to be true and fair and three, the right of the publisher to determine the selection of news.

Now, starting and going down the line, Mr. Lynch, would you say that the publisher of a paper exercises his interest in freedom of the press or ought to exercise it in trust for the public to whom the larger freedom belongs?

Mr. Lynch: I don't think it is that simple, Senator. I think that what does into the paper is seldom the publisher's thinking. I would prefer the editor.

Senator Prowse: All right, the editor.

Mr. Lynch: That term is rather vague and it varies from paper to paper. The person who decides the shape of the paper from day to day is going to be a professional news person.

Senator Prowse: Well, may I just straighten it out. We get from various materials that we receive, particularly in the form of briefs, we get the suggestion that the freedom of the press is being interpreted by some people who will be in front of us as the right of the owner of the paper to print what he darn well pleases.

Now, against that background could you answer the question?

Mr. Lynch: It is a trust, of course. It is a public trust. It is not like owning a cotton

mill or a local department store or any other enterprise in the community. It does carry with it special and almost mysterious responsibility to the community and I agree.

I think that most—what I would call—enlightened proprietors would agree. You can ask the proprietors that but as to whether or not it is a public trust I agree entirely. There is something very special about the proprietorship of a newspaper.

Senator Prowse: Would anyone else like to comment?

Mr. Collister: Just on the economics of the situation and the situation generally. This prevents a publisher from running a paper just as he darn well pleases.

I agree with Mr. Lynch entirely that he does have this public trust and in most of the cases that I have come in contact with he exercises it pretty well.

Senator Prowse: Unless he has another interest.

Senator Hays: Just one quick question. Mr. O'Neill, is the French reporter handicapped in any way in Ottawa?

Mr. O'Neill: Perhaps not a French reporter but a French newspaper.

Senator Hays: A French speaking reporter?

Mr. O'Neill: A French newspaper, a French speaking newspaper would be. I think we are handicapped—of course, if you want to report here you have to be bilingual and if you are not you are handicapped, but our English-speaking colleagues have the same handicap. They have the same handicap if they don't speak French, especially now they have that problem as well.

I don't think that otherwise we are handicapped, but newspapers are because the service from the agency as Mr. Ryan explained here last night is not quite satisfactory. They don't really get the complete flow of news that comes here in time to print it and therefore our newspapers are handicapped. I don't think we are. I believe that is all I would care to say.

The Chairman: Senator McElman?

Senator McElman: I have two questions, Mr. Chairman. The first has to do with the protection of sources.

The Chairman: Who are you putting the question to, Senator?

Senator McElman: Perhaps Mr. Hull. I was thinking of protection of sources such as reporters in the ordinary course of their activities; but forgetting that and getting to the legal aspect of it, when the matter is before the criminal courts and the information is dealt with by the courts and is felt to be germane to the reaching of justice, should the reporter still have a right to protect the source?

Mr. Hull: I think it would depend a great deal on the circumstances of the case. I would think that the weight should always be on the right of the reporter to protect his source unless there is an extreme reason why he should not.

Senator McElman: Well, this is why I mentioned it as a criminal case before a criminal court and the source being germane to the reaching of justice.

Mr. Hull: Yes, I think in cases like that that there has to be some public obligation if it is that important to the reaching of justice, yes.

Senator Prowse: A murderer that I have interviewed has confessed to me as a reporter but says, "Don't use this", but somehow the crown prosecutor gets the idea that maybe the guy told me this. Is it for my conscience or the court?

Senator Davey: I am sorry; Senator McElman?

Senator McElman: The question was in relation to a reporter, not a barrister.

Senator Prowse: No, I was a reporter at the time.

Mr. Hull: Well, if they don't divulge it I suppose they could be subject to contempt of court.

Senator Prowse: Would this worry you?

Mr. Hull: I think so. I would hate to be put in a position to have to make that judgment.

The Chairman: Senator McElman has a second question.

Senator McElman: It's not in particular addressed to the gallery but perhaps to Mr. Lynch because of the nature of the writing he does and his experience and the fact that he has already referred to two cases, and with

your particular knowledge of the total picture in New Brunswick and your experience there as a working reporter and practitioner training for a profession.

When one conglomerate with wide interests that reach into all aspects, major aspects of the economy of that particular jurisdiction also owns or controls all of the daily newspapers in the English language and television which covers better than half of the province, and radio interests, would you feel that this could inhibit the editorial freedom of the publisher, editor and so on involved in that medium?

Mr. Lynch: Well, I think you are going to be getting into this one more deeply.

Senator McElman: I appreciate that.

Mr. Lynch: But I believe your question answers itself. You have to probe however into the motives of the person who assembles this media package if you like. My own experience, which I can speak to and did speak to for some 33 years—but I don't think you are investigating media as they were 33 years ago. If you were, a lot of the answers that you have received today would have been different. It was another world.

Senator Prowse: It would be a very interesting hearing.

Mr. Lynch: It might be a very interesting hearing and I could speak to that. I have been away from that for 30 years and have observed much less closely the situation that you speak about.

I would simply reply, not too evasively I hope, but I think your question answers itself.

The Chairman: Senator MacDonald?

Senator Macdonald: Early in the hearing one of the witnesses told us about the great turnover in the members of the press gallery. Would you have any figures to show how many members say had been there for 10 years or more?

Mr. Collister: No, sir, I haven't got that. Just this morning I counted them up in that particular case.

The Chairman: I am sure that would be a job for you to send that to us?

Mr. Hull: Well, I am not sure. I believe you can just take the press gallery list and you can very easily...

The Chairman: Yes, you can let us know.

Senator Macdonald: Would any members of the panel like to express their views on the idea of having a central information bureau operated by the government instead of the various parts having their own information department?

The Chairman: Well, that is a question which may take a long time to answer.

Mr. O'Neill: I will just say this and I will come back to something I said at the very beginning. I think the government as has been pointed out in the report has not only the right but the duty to involve itself in information directly to the people, which brings me to qualify what I said earlier about our right to know as a press gallery. I said I didn't think there was a right. I said this because press galleries have a tendency to consider that they have exclusive rights to political information that comes from Parliament and I say that is not so. We don't have this exclusive right and I don't think we have this as a right.

We have a privilege. I say that the people have a right to be informed but I say that the responsibility to inform the people is ours and it is also the government's responsibility and it is also all sorts of other groups' responsibility.

That is why I said we didn't have this fundamental right or we didn't have it as an exclusive right on political news that comes from here but on the government information services, I think it is urgent that they do it as a duty to the people of Canada.

Mr. Lynch: I would agree to the extent that operative information, the kind of information that has to do with the operation of programs and so on, tends to get through our sieve and we can't claim that we are equipped to handle that kind of volume of regional-interest or special-interest news, and to that extent I think the government information service is deficient and could possibly be improved in the way the Task Force recommended.

I would be very worried if, as I have some reason to suspect, the government people are thinking of larger types of information in the area that we generally deal with and wanted to set up channels of information directly to the public for what I would refer to as propaganda.

I would think that the experience in the many countries where this has been tried would tell us that that would be pernicious and the effects of it in terms of the public interest would be negative and I am very worried about that aspect of the Task Force's recommendation. They are worried about it as well. They have taken time out several times to express their own awareness of that danger. I just happen to feel a little more strongly about the danger than they do.

The Chairman: Mr. Collister?

Mr. Collister: I would just like to say I agree with the government agency. I think it is a good suggestion and it is long overdue because there is quite a problem existing.

Mr. Hull: If it improves information to the public and to the press gallery and doesn't impede our news gathering I think it would be fine.

The Chairman: May I on behalf of the Committee say thank you to the members of the gallery who have been here this morning and may I say I hope we have done no violence to your fierce spirit of independence. I don't think we have. It may be that later in the hearings we may want, if you would be agreeable—I am not saying we will to ask you back.

Mr. Hull: I may say that in drafting our opening statement we made it quite clear that perhaps we may have cause to come back here.

The Chairman: Please let us know.

Mr. Hull: To answer something that may arise.

The Chairman: By all means.

The committee adjourned.

(Upon resuming at 2.30 p.m.)

The Chairman: Honourable Senators, before we turn to this afternoon's hearing, may I make one correction relating to this morning's hearing for the record and for the purposes of the press and for the Senators.

I inadvertently referred to Mr. O'Neill as the representative in the Press Gallery of Le Devoir. He is the representative of La Presse. I think we should have that on the record.

This afternoon we are going to receive three briefs. The first is from Armadale Company Ltd.; the second is from the Regina

Leader-Post Ltd., and the third is from the Saskatoon Star-Phoenix Ltd.

Now I should make clear at the outset that this will be a joint presentation with one leaving off and the other beginning.

On my immediate right is the President of the Armadale Company Ltd., Mr. Michael Sifton. Mr. Sifton, I should make clear to you—as I have to others who appear—that the written briefs were requested three weeks in advance and were received three weeks in advance.

The briefs have been circulated to the Senators and the members of the Committee have studied the briefs. I think, for the purposes of the presentation this afternoon, we can take your various briefs as read.

I thought that we would now allow you some time to summarize the contents of it, to expand or to explain or to use the time as you will.

Honourable Senators, Mr. Sifton will explain this in a moment or two, but as part of this introductory period there is a film which he wants to show the committee. We will be delighted to see this.

I think, if we go according to our guidelines, we will allow the prescribed 15 minutes for each one of these three briefs. There will be at your disposal some 45 minutes. In any event, you can use the time as you wish. You certainly do not need feel you must use that much time for your presentation.

The Senators will ask questions on the contents of your brief, on the remarks you are about to make, and probably on the film. They will ask any questions that may occur to them.

First of all, would you do us the courtesy of introducing the balance of your panel.

Mr. Michael Sifton, President, Armadale Company Limited: Mr. Chairman, Honourable members of the committee, ladies and gentlemen: Appearing with me in support of our brief are Mr. Harold Crittenden, the executive officer for Broadcasting Interests; operating assistant, Mr. Jim Grisenthwaite; Mr. Preston Balmer, the chief executive of our print interests; Mr. William Thomson, Executive Vice President of the Regina Leader-Post Editor of the Leader-Post, Mr. Scotty

Melville; representing the Star-Phoenix is Mr. M. Macdonald, the Editor.

Also in attendance are Mr. Jim Struthers, General Manager of CKCK-TV Television; Ron Lamborne, General Manager of CKOC; Mr. Robert Macdonald, General Manager of CKRC Radio; and Gary Miles, General Manager of CKCK.

As you will remember, Mr. Chairman, on first learning of the formation of your committee, we wrote you expressing a desire to participate in your proceedings.

In due course, the Leader-Post and The Star-Phoenix, together with Armadale, were asked to prepare briefs and appear before the Committee. So that a complete picture may be formed, we have taken the liberty of including within the overall brief a look at our broadcasting entities. The men responsible for their day-to-day operations are here to answer any questions which may arise.

The only media interest of Armadale not represented here today is Toronto Life, which will appear at a later date in the proceedings.

While we are exceedingly proud of the modern facilities of our operations, we are aware that the presses, television cameras, radio studios—along with the paper, electricity and ancillary services we utilize, and even the licenses we require in the broadcasting entities—are merely tools used in the process of serving the community.

We are in the people business. The only real assets of Armadale are its personnel. The men here today are the leaders of the Armadale family of 682.

We are judged daily by the citizens of the community on the quality of our services—and in this age of dissent, I can assure you, we are judged daily on the relevancy of our service.

Competition among the media—and between them and the other services offered in the community—both for revenue and the time of John Doe is fierce. The changes of today foreshadow greater changes in the scope and nature of media tomorrow. Gradual, but ever increasing changes in our way of life and social patterns are only forerunners of the wholesale changes of the next decade.

Just as the elective processes of our democratic governments are determined at the ballot boxes, so are the media judged by the highest tribunal in the land—the reader, the listener, and the viewer.

Despite the challenges and the problems, surveys report that Armadale media have, in the main, continued to enjoy a high level of acceptance in the communities they serve. We are extremely proud of the track record of the Armadale interests through the years and the high level of service provided.

We do not, however, claim for one moment to be unique in this regard. Canadian media have played always a major role in the development of our country as a nation.

We do not claim to be an exception, but rather, closer to the norm. The quality, the quantity, the standards of excellence and the ethics exhibited by Canadian media are among the highest in the world, and I for one am proud to be a small part of this great industry.

Canadians on the whole are not prone to “blowing their own horn.” With all modesty, I suggest that newspaper publishers in this country have for generations—quietly and without fanfare—been generally active in support of almost every conceivable community endeavour from coast to coast.

They rarely document these activities and rarely, if ever, have felt required to produce such documentation as verification of service performed.

That is perhaps the primary purpose in our appearance here today. It is our hope that through your committee Canadians everywhere will be given an insight into the Canadian mass media, their fine record of achievement, and the nature of the problems facing them now and in the future.

It is in this spirit that Armadale is pleased to make two specific recommendations. These have to do with a minimum 75 per cent beneficial ownership of Canadian media by Canadians and the full disclosure by each of the media of its controlling interests.

As for Armadale, of course, its interests are owned 100 per cent by Canadians, and ownership disclosure is now in effect on all our services.

In our brief we have dealt in the main with our philosophy and our organizational framework.

At this time I also wish to refer to our feeling of accomplishment in being able to develop in each of our outlets an atmosphere

strongly conducive to creative expression and to attract and develop talented people.

We mentioned to the Chairman our desire to present to the committee some examples of the creative work being done. He has consented to this departure from your customary routine.

The secretary will give each of you a long-playing record recently financed, directed and produced by our three radio stations, employing a group of Winnipeg artists. This record is being distributed through the Canadian Talent Library to all subscribing radio stations, and is part of our over all effort to give encouragement and on-air exposure to Canadian artists.

Recently our film production group in Regina completed a documentary titled "The Saskatchewan Suite". It was commissioned by the Leader-Post and the Star-Phoenix and will be distributed widely in Saskatchewan and other parts of Canada. We present it not only as a demonstration of production finesse but also as a positive declaration about life in Saskatchewan and our participation in it.

The second part of this visual presentation consists of a number of shorter productions, including station promotions, public service and commercial announcements. We believe these demonstrate that the markets we serve enjoy production services as professional as those available in the largest cities in North America.

Here then—"Saskatchewan Suite"—followed by a group of public service, station promotion and commercial announcements.

Roll Film

The Chairman: Do you wish to add anything following this?

Mr. Sifton: I would say the film stands on its own two feet.

The Chairman: The Senators will put questions to you and may they put questions to other people on your team?

Would you identify the Head Table again.

Mr. Sifton: Starting on my far left, Mr. Macdonald, the Editor of the Saskatchewan Star-Phoenix; Mr. Scotty Melville, Editor, Regina Leader-Post; Bill Thomson, Executive Vice President; the guy I rely on, Mr. Harold Crittenden, Executive Vice President of the broadcast interests; Preston Balmer, executive vice-president of print interests; Jim

Struthers, Manager CKCK-TV; Bob Macdonald, Manager CKRC; Ron Lamborn, Manager, CKOC.

The Chairman: There are a lot of people to question. I am sure most of the questions will be directed to you. If you wish to redirect...

Mr. Sifton: I might make one comment, Mr. Chairman. We do not intend to give the impression of over-powering strength. We intend to make ourselves available so the Senators will have an opportunity to direct their questions directly to the one they wish.

The Chairman: We appreciate the spirit. I think Senator Hays is going to begin it.

Senator Hays: Mr. Sifton, and your group, first I should like very much to compliment you on your brief. I have not read them all, but I have read many of them. I should like you to know that I think it is an excellent brief, very thorough.

I think that the terms of reference have been well handled insofar as individuality is concerned.

The film that we just saw, I think, adds a great deal. I am a little disturbed sometimes when we see a picture of Saskatchewan when we from the west are down here fighting a different battle.

Mr. Sifton: Sir, I think both of us have spent many hours trying to demonstrate to some people in the east and obviously many people in the United States, we are not really just Eskimos, but a fine community with a fine way of life.

Senator Hays: Do not sell wheat and potash, and only half your oil. There is a difference. There is an old, old Saskatchewan story—the old couple who were hoeing in the garden. Neither one was saying a word. It was during the 1930's.

When they got down the one row, Martha went over and kicked her husband in the shins. He said, "Martha, why did you do that?"

She said, "Because you are such a poor lover." They did not say anything else. They turned back and went to another row. When they got to the far end of the row, she just happened to be in the right position. He booted her.

She said, "Why did you do that?"

He said, "For knowing the difference."

Mr. Sifton: No comment, sir.

Senator Hays: Mr. Sifton, on Page 23 of your brief...

Mr. Sifton: Page 23?

Senator Hays: Yes. Page 23 of your brief, Paragraph 36, you say that no local manager has ever been required to follow a course of action which he believes to be improper. Does this mean, Mr. Sifton, when you want something done that the editor or publisher in Regina might refuse to do it?

Mr. Sifton: If he believes it is improper, then he has that right. We do not try to have people work as tools. We try to give them an opportunity—they cannot function unless they function within the boundaries of what they believe to be reasonable, right and proper.

It may be that over a period of time we might decide to part company. I must make that clear. There have been rare occasions in the past that this, in fact, has happened.

Our practice is to carry on continuous dialogue between each of us on our team. We hope that any major difference of philosophies and beliefs will not crop up simply because we, obviously, depend upon each other to endeavour to put together a team of people who believe in a set of philosophies that are displayed throughout this brief.

In the process of hiring, Mr. Crittenden is associated down the line. We try to make it perfectly clear to people taking on responsibility within our organization that these are our beliefs, philosophies, etc. We tell them not to take it on if they do not believe; we do not give orders in that sense at all.

Senator Hays: Can you give any particular cases?

Mr. Sifton: Yes, as a matter of fact. Macdonald, Editor of the Saskatoon Star-Phoenix, in a very minute detail has a difference of opinion with me on a very major subject. I do not instruct him per se to follow my philosophy in this respect.

I think I should explain the whole situation to you. Now, this is a matter of philosophy in this particular case. May I say also that my father and I, for example, have disagreed many times on a means to an end. Rarely do we ever disagree on the end, on the desired end result, the basic philosophies of life.

Now, in his wisdom he may choose to go in one direction. Maybe, as with any youth, I may choose to go at it in the other direction. We both think we are right. He has not forced his beliefs on me and I have not foisted mine on him. I try not to foist mine on others.

Mac, it might be well to explain, without naming names for obvious reasons, the experience that you had.

Mr. M. Macdonald: Editor, Saskatoon Star-Phoenix Ltd.: I will let you know where I differ.

There was a question raised in the hearings earlier about the right of a reporter to protect his sources. There were various points of view expressed. We had a situation in Saskatoon, but I am not sure where the case stands before the court now. I would not want to wind up in contempt.

One of our reporters went out on a story. In the course of that story, she interviewed an individual and quoted him, not by name, but quoted him. The police in subsequent investigation thought that some testimony taken from the accused sounded very much like the same thing that was in the story. They summoned the reporter to the preliminary hearing with a view to having the reporter identify the individual. Her attitude was that she would rather not do this.

She came to me for advice. My advice to her was that I did not feel that any person can hold himself above the law. If it interferes with justice or the laws of our land, the laws of our land are more important than any part of our social structure, including individuals working for newspapers.

Now, I did not direct her on what she should do. I said, "It is up to your own conscience." This is the way I feel about it.

As it turned out, she went home and discussed this with her husband, came back and wondered if we had some kind of mental telepathy because he told her the same, basically, the same thing.

She did appear as a witness. If she had refused, I presume the judge would have held her in contempt.

Now, Mr. Sifton looked at this in a somewhat different light.

The Chairman: Do you want to say the light you saw it in?

Mr. Sifton: I apologize for the necessarily long-winded method of getting at this. I think it is important to get at the basic policies involved.

I believe that the effective rule of law depends upon a free press. I think it depends upon the publication of names of offenders. In many cases, just for example, you get drunk driving charges. We do not think it is the levying of a minor fine—what to many people in the community is a minor fine—that is a deterrent that stops one from drunk driving.

We think one of the most effective, the hardest kind of deterrent is to live with the fear of having every guy in the neighbourhood saying "That guy was caught for drunk driving."

We think to work effectively, you have to have a rule of law to work in our society. We think it requires publication. Now, in our belief, this is a function of the press within our society. We think it is a very important one.

Now, included in this whole area of the role of the press and the rule of law, in my opinion, I must say is the disclosure of people or individuals who may live off the weakness of other individuals.

Now, we have had situations with things like dope and some of the other things that are in evidence in today's society. We think it requires a free press, or I think it requires a free press to expose things going on in our society.

In the case of dope, there is a tendency on the part of many parents not to want to face the facts. My youngsters, fortunately, are a little younger, at a stage where I hope these things get straightened out before they get to the age where I must be concerned with that kind of thing.

The fact of the matter is we think there are lots of parents who maybe think their youngsters are involved with the taking of dope but really do not want to face the facts. It is almost like a man lying in a hammock. He keeps swatting flies, hoping they will go away.

We think in our society that one of our roles in this rule of law is to expose things that may be detrimental to the community, at least expose what is going on within the community for people to judge the situation properly with all of the facts.

Now, in the collection of the information that goes into this kind of a story, let us take this writer in the case of this dope situation. Now, this writer, capable, thorough, did a tremendous amount of investigative work, weeks of talking to every possible segment in our society, senior people in the police department, junior people in the police department, senior citizens in the community, informers, probably criminals, people in every segment.

Let us face it, this whole situation of dope at this point—now I use the term "dope". I hope this is taken in the full sense, including LSD, marijuana, the whole thing. This is a problem that we really do not know too much about.

It is a major problem, wide-spread problem. It may be more wide-spread in some communities than others. It certainly is not going to go away, and certainly it behooves us as publishers to deal with the facts as they are within our communities.

Now, as I say, in getting into, delving into the problems and what actually exists, we are talking to all kinds of people all the way from criminals and that kind of individual to the most respected. Those sources of information are of utmost importance.

It is critically important that we have access, free access, to discussions and dialogue with these people to be able to give a totally rounded figure or a picture of the situation.

If this writer were to, for example, expose the fact that he or she got significant information from a junior member of the police force, it is conceivable that his job may be in jeopardy.

If significant information were to come from the criminal elements or informers, they would be in serious jeopardy of possibly having criminal action taken.

If our researchers and reporters in the process of picking up this information were to contact a significant element in the community, and if we earned the reputation within this element of exposing them, then I suggest, Mr. Chairman, that our sources of information will dry up and our ability to give a full, comprehensive picture of the way it is would be impossible.

For that reason I have a very strong feeling of responsibility as far as defending the right to protect the sources of information.

On the other hand, I would not myself nor would I suggest that any of our people advise any individual, either directly associated or indirectly associated with us that they should go on the stand in a court and, in fact go to jail to protect this right.

If I were in their position, I would fight for the reasons that I have just given you. I cannot and will not tell any other member of our team of any level that they will go to jail or suggest that they should use the other alternative, being perhaps a loss of a job. I will not do this.

Senator Hays: In the Gazette last week a judge was reported as follows: "I will not force any journalist to divulge the source of information. However, I personally feel that reporters should not involve themselves in police investigation so long as the investigation is incomplete as this only serves to hinder the proper administration of justice."

"But once the case comes before the court, then reporters can nose through files as much as they want to." What would your feelings be about that?

Mr. Sifton: I would be happy to answer. If I might suggest, we have got two editors who have to deal with this on a regular basis.

Mr. Scotty Melville, Editor, Regina Leader-Post: The question there is that apparently a reporter was doing some investigating while the police also were doing investigation. Is that correct?

Senator Hays: Yes.

Mr. Melville: I would be inclined myself, if a reporter were doing that; he found out something—I would feel that he should help the police in the investigation. In other words, if he found out something relative to the case, I do not see why he should not tell the police to help the police.

Mr. Fortier: If he were called as a witness in the course of the trial, should he divulge his source of information?

Mr. Melville: That is a difficult thing. It puts a fellow on the spot and I really have no answer for that. Suppose he gets some information from a fellow, say it is a criminal case of some kind and he gets some information from a fellow. If the name of that fellow comes to light, there is a possibility that violence could come to him.

I am talking about extreme cases now. I do not know what I would do if I were in the reporter's shoes, to tell the truth. If I honestly felt some harm might come to somebody else I would not know what to do.

I would have to wait for that to happen first.

Mr. Sifton: This is a personal thing to individuals.

Mr. Fortier: Did you say, Mr. Sifton, you believe the right of reporters to claim a privilege should be written into the law?

Mr. Sifton: Mr. Fortier, I am not a lawyer. I am sorry. I think I would be inclined to take another look. Again I am not an expert lawyer and really you seem to be talking about a technical thing here.

There should be some—to me there should be some reasonable limitation so that, for example—and you see this in dictatorships, people locked up for life because they are not prepared to cooperate.

This is a critical thing but the same thing possibly could be involved in contempt of court. At the present time there is nothing in the law that says a guy cannot be locked up for life, to my knowledge—and again I am not a lawyer.

There is no limitation to the length of time he can be locked up. I am sorry I am not a lawyer. I cannot give you details. I have concern about writing it into the law.

Mr. Melville: Are the police asked to reveal their sources of information? They have stool pigeons and that sort of thing. They get tips from people all the time. They are not asked to do that; are they? Very often?

Mr. Fortier: They certainly have no privilege in a court of law.

Senator Macdonald: We are getting a bit confused. Right now the law is that a reporter has no privilege, I think.

Now, you say that personally you would not obey that law.

Mr. Sifton: That is right, sir. I happen to believe strongly in the principal of the role of the...

Senator Macdonald: You go further, that you would not obey any law that you did not believe in?

Mr. Sifton: No; I would not. If I may make one suggestion, at no time did I ever suggest that we should live outside the law or above the law or that we should have this privilege.

Incidentally, this whole area of privilege in the sense of a reporter to protect his source of information is not the privilege of the reporter. It is the privilege of the right of an individual to know that is involved here. It is your right as a citizen, sir, to have access to the free flow of information that is involved here.

Senator Hays: Let us face facts right now; be realistic about this right now. There is no privilege. Now, to give a privilege you would have to have a law which would give that privilege.

Now, it was the same way in the old days of prohibition. Just because a person did not believe in the law, did that mean they did not have to follow it?

Mr. Sifton: In this particular case, as I say this is not a matter of digression with the law. With all due respect, I look upon this as being a function or responsibility of a reporter, and we are really talking on the individual level. In this case we are talking on the level of the individual reporter.

We are talking about the role of the press as a result or as a rule of law.

Senator Hays: Would you not agree that if you do not agree with a law, you should work to change the law, rather than say, "I won't obey"?

Mr. Sifton: I would not—as a newspaper publisher—be part of suggesting that this newspaper should have any special privilege.

Senator Hays: I think perhaps they should have. I am sort of inclined to think the reporter's information should be protected, but while they are not protected, does he have to obey the law? That is what I am getting at.

Senator McElman: I am referring to Senator Hays' last question. I think we are getting away from the nub of it.

The Chairman: Yes.

Senator McElman: Obviously, he was suggesting that it was not the role of the newsman to conduct a criminal investigation, but the role of the police.

Mr. Sifton: How? Please, I do not mean to—I do not suggest for one second that there

is any specific case that I am thinking of. In fact, I am thinking strictly in a hypothetical sense.

How do we know the police are, in fact, investigating thoroughly? As citizens, somebody has to represent you. This is the balance that we have had in our society, or way of life for generations.

They might be interested in hearing from Mac. MacDonald. He is the other working editor. They might be.

Mr. Macdonald: Just to make something clear, to begin with, the reporter to whom I referred earlier did stumble into this rather than going out doing police investigative work.

She was not taking over the role of the police. In the course of her discussions, she happened to meet somebody whom the police subsequently charged and tracked it back that way.

I am inclined to feel that the press has a role to reveal itself in society, but that the investigative processes should be in the hands of the police. If the reporter, in the normal course of his work, comes across things that he thinks should be told to the police, he should be like any other citizen and inform the police.

Now, this is my feeling.

Senator McElman: Should he also publish it at the same time?

Mr. Macdonald: Unless you are talking about a specific thing, I do not think we could answer that because there are laws that prevent—laws of libel, for instance, that would prevent you from publishing material that you had picked up via the grapevine.

However, in other instances, you may have it solid enough that you should publish it. One instance, perhaps, would be where there was some corruption within the police department. This would be a case that would have to be judged on its own merits, I think.

Senator Hays: Possibly we have explored this sufficiently. It reminds me of Cabinet meetings with seven lawyers in there.

The Chairman: Do you have another question?

Senator Hays: I am sure Mr. Sifton will understand this better.

The Chairman: I think he understood the last question.

Senator Hays: Paragraph 41, Page A-25, bottom of the page: What, Mr. Sifton, did you consider a fair return?

The Chairman: Is that A-25? Yes.

Mr. Sifton: I cannot make a flat statement that would apply to newspapers or would apply to broadcasting. You have to look at the kind of investment and the particular media and the particular individual market.

There I cannot give you a percentage. It would vary within our own organization. We do not look upon it as a matter of percentage.

This incidentally opens up a point—if I might. I am a third generation media man. I have been taught since I can walk that if you publish without bias, and without interest, without specific interest, without any other motive but the community interest and the people that we serve, the reward will come to you. It has been very good to me.

The fact of the matter is, our attitude is one of not going out to say that we should make a percentage out of this business; it does not work that way. It does not even show an informed figure within our own organization, sir.

I hesitate to make a bold, bald statement. It just does not apply.

Senator Hays: You agree with Mr. Farrell of the Windsor Star, to charge all the traffic can bear?

Mr. Sifton: Obviously, if you are talking a rate and you need more money, obviously you go to the extent that you can go. If you go above that, in your judgment, you lose business and, obviously, you do not go.

Senator Hays: Do you feel the same about the broadcast business too?

Mr. Sifton: Yes, sir; I do.

Senator Hays: On Page A-32, Paragraph 56, can you give us specific examples of how your publications have exposed abuses?

Mr. Sifton: If I might, I think that once again one should go to the working editors. This is the thing that we are doing on a regular basis.

Senator Hays: Pardon me.

Mr. Sifton: This is the thing that we do on a regular basis. It is part of our job, our way

of life, part of our job. If I might say, I think this should go to working editors.

Mr. Macdonald: First of all...

The Chairman: Mr. Macdonald, would you care to go first?

Mr. Macdonald: I am trying to find what we are talking on.

Senator Hays: A-32, Paragraph 56.

The Chairman: It says that "While mass media do have influence on public opinion, the power they have is the power to discover and disclose to the public, the activities of those who feed on the weak, and the ignorant, and the defenseless in society."

As I understand it, Senator Hays' question is "Could you give some examples of this?"

Senator Hays: Yes.

Mr. Sifton: Yes, of course. We get this in the political realm every day, sir. There are all kinds of things people would just as soon not have published: attitudes of the opposition, may I suggest.

Senator Hays: Other than political.

Mr. Sifton: Mr. Macdonald?

Mr. Macdonald: There has been a growing problem in society of the place of our Indians and Metis, for instance. They have come to the fore in various ways. In the attempt to bring this before our readers not in our terms, but in the terms of the people who are supposedly disturbed, the Indians and Metis themselves—I had someone on my behalf contact one of their spokesmen and had them write a series of articles in their own terms about how they thought they were being maligned.

We published them as a series so that the rest of society would realize what these people—what is really bugging them. We hope this contributed to a better understanding of the problems.

Senator Hays: You felt their abuses should be exposed?

Mr. Macdonald: Well, yes. I did feel there were some and that rather than us express these ideas for them, I felt it would be better for them to do it themselves.

Now, after reading the articles, I did not agree with all of the things that they had to

say about their problems, but we published them anyway so that the public could judge for itself just how valid they were.

Senator Hays: Do you have another short example?

Mr. Sifton: If I might mention the story with regard to this dope thing. In your community is a situation that, of course, the dope peddlers do not like any part of—publication of it.

Mr. Melville: We had one recently and I do not think there is a final outcome of it yet, but the old grapevine again comes into this where we got a tip where it was likely there was some wrong-doing in the building department of the city.

Through our investigation which also involved going to Calgary, or getting contact with people in Calgary, it was learned that a fictitious firm was stamping plans. That was turned over to the authority and...

Senator Hays: The firm was not from Calgary surely.

Mr. Melville: No; it was at a Calgary base. Now...

Mr. Sifton: I would take another example, Scotty. I cannot go beyond that.

Mr. Fortier: You are not dealing with the wheat now.

Mr. Melville: But the gentleman already had been sentenced for defrauding the Income Tax, but this case is separate. I really should not be speaking about it. It is not quite finished yet.

There are other cases like that where you find things out through tip-offs. Again, we had another case—we got a tip-off from a petty crook that one of his pals had dumped some nitroglycerin that they were going to use some time and had hidden it in a field and...

Senator Hays: He got that from Montreal?

Mr. Melville: I do not know where they got it, but certainly it involved a laxness on the part of our own police at the time, before this stuff was found and experts came and look it away.

The Chairman: Senator Hays.

Senator Hays: Yes; I have more questions. Maybe I am taking up too much time.

The Chairman: No; carry on.

Mr. Sifton: May I make one more comment on that? Senator Hays, it is a very, very obvious one. We always are looking for sales practices that victimize the public. Of course, the people who have been exposed are not very happy with us.

This kind of thing we are always watching for.

Senator Hays: On Page 34-A; really it is on page A-34, Paragraph 62, you say that the media must remain free of government interference so that they can react instantaneously and vigorously to the challenge of technological change.

In what ways are they reacting now?

Mr. Sifton: There are many things that we are now doing in a regular way, on a regular basis: things that maybe you as a reader of a newspaper, for example, may not be overly sensitive to. We go at it very slowly and carefully to make sure how the reactions are working.

You do not close down the newspaper today and open up with new everything, a new ballgame tomorrow. For example, there is some question in the minds of all of us as to the relative space allocation to photographs as opposed to written type. We are into the whole area.

There is a great deal going on in this area within the media or industry, but there are a great many other things that are going on outside of the media, directly out—completely divorced from the media when you look at it from a close-in standpoint.

Let me give you an example. Can you imagine what would happen to the lives and disposable income of families of Regina if a Houston Astrodome were to be put in Taylor Field in Regina?

All of a sudden, allocation of disposable income would be radically changed, the time that they allocate to various different things in their lives would be radically changed and altered and even ski-doo's; we saw indications of ski-doo's, all kinds of them, out there.

Years ago, as you know as well as I do, sir, as a westerner...

Senator Hays: It has country to run them on.

Mr. Sifton: Wintertime, cars used to be put up on blocks and taxis used to be in business.

Now, instead of being in houses, the people are out. They have things to do.

There are little things quietly working away at the time allocation of the individual. This means that maybe our book as it is presented, our package, will have to be altered to fit the new time allocations.

Maybe we have to do a tighter editing job. Maybe it is time for more allocation to the visual, the photographic area. Maybe it is other things. We do not know what this answer is. We do now know that changes that have taken place over the last ten years, or five years indeed, have been tremendous.

We think they are going to come at us in more directions, at greater speed. We feel that maybe the things, the changes that were required within this newspaper or within broadcasting, indeed, in the past may have been spread over five years.

It may have to be spread out over a year to survive. If we are not smart enough, it may be that we have to be able to instantaneously change our product, to fluctuate, to remold, to change.

Any kind of a restriction put upon us in any respect, very likely, could handicap our ability to free-wheel to meet your desires, sir.

Senator Hays: Would this be like when television came, you had to change?

Mr. Sifton: Yes. The great change took place with radio. If I might suggest, authorities at that time were so interested and involved in the formation of regulations and policies and everything else that were involved in television that radio was quite heavily left on its own to fluctuate and to change.

Now that was one incident of where one major external factor came into play. I fear the problems involved, the multiplicity of problems involved by not one external force coming into play, but dozens of them: Little ones, big ones.

I am told by experts that it is not out of the realm of possibility at all that within the next ten years or so, at the dollar available to the average individual you will be able to buy a unit that will go on your existing television set that will permit you to dial directly to terrestrial satellites, which will be fed directly the Rose Bowl Game, and indeed the Red

Square Parade direct from Russia through the use of a satellite.

That has got to have a major effect on many existing media today. It may have a radical change on what people want from their newspapers. Indeed we have survival at stake here. We have to be able to change our product to be able to be a viable and desired service, to be capable of standing these changes.

These changes that are taking place are environmental and technological changes that take place regularly and intimately and in every possible way.

Senator Hays: Mr. Sifton, on Page A-39, Paragraph 71, you refer to pressure groups and threats of reprisal. Could you give us some examples?

Mr. Sifton: Yes. There are two or three things here, sir. There is almost no limitation as to the degree from minor to major. Many of the reprisals that are in the minor items are major ones down the street. You go down the street and they grab you and say, "Crit-tenden and Lamborn, why did you put that in? Did you have to do that?"

"Well, it is the truth."

"All right; it is the truth but did you have to print it?"

Then you go to the club and you get some of these messy items; for example, this dope situation. You are told to go to another table because you are not welcome. It is not quite that bald, but it is there.

Senator Hays: Do you have any specific examples?

Mr. Sifton: Most communities in Canada go through night time shopping and you are dealing with merchants. They appear to be the ones that are most concerned in this. I have no disrespect to merchants because they have some good arguments, but you wind up with 40 percent of the merchants violently opposed to night time shopping or 60, as the case may be, just because you are exposing both sides.

They say, "Why plug those people" for the side they are against.

Senator Hays: Are they members of a Board of Trade?

Mr. Sifton: No. The threats that I have had in writing are not from a member of the

Board of Trade. Again, I wish to protect my source. I would be happy to show the Chairman evidence of this.

Senator Hays: On Page 45—am I taking up too much time?

The Chairman: No; you are doing well.

Senator Hays: Paragraph 82, I believe, you talk about the difficulty of keeping pace with rapid salary increases. Could you tell us whether salaries are increasing faster than profits?

Mr. Sifton: I think we are all in what has become known as the "cost squeeze, cost revenue squeeze."

Senator Hays: Are you involved?

Mr. Sifton: A very simple answer, Senator, is yes. Absolutely.

Mr. W. Thomson: Executive Vice-President, Regina Leader-Post Limited: That is quite true for the newspaper business too. I do not know if I could give the relationship between profits and increased salaries, but it is there to a marked degree.

Senator Hays: Would this be the same in broadcasting? Do you know?

Mr. Thomson: I do not know about broadcasting, television, or radio. We have specific cases where our increases are matching our losses.

Senator Hays: Now, Page 47, Paragraph 88, do you, Mr. Sifton, feel it is socially desirable for independent conglomerates to own newspapers, broadcasting interests, even if they disclose the beneficial ownership?

Mr. Sifton: Excuse me sir. I am anxious to answer your question so long as I know exactly what you are asking me. Would you be good enough to define for me what you believe is a conglomerate? This term is a nebulous one to me.

Senator Hays: You should know what a conglomerate is. Do you?

Mr. Sifton: Do you consider me a conglomerate?

Senator Hays: Yes.

Mr. Sifton: You are asking me to say that I do not act in the interest of the community.

Senator Hays: Well, I am asking you...

Mr. Sifton: I personally do not think we are a conglomerate, but again, that is a personal definition.

The Chairman: Senator Hays has the opinion you are a conglomerate.

Mr. Sifton: We think we do an admirable service to the community. In fact, we are proud as hell of it. The listener, reader, and viewer is the ultimate judge. Whether we succeed or fail is in their hands and I could not care less who competes.

General Foods, they may not be a conglomerate but if they want to be competitive in my particular market and if they can perform a service for the public, then bully for them.

I have only the instructions of beating the living be-Jesus out of them. Now, again, they are successfully predicated on how they serve that particular community.

The very fact that we never have offered any resistance to any competition or competitor in applying either for a broadcast license or, indeed, if they want to start a newspaper or billboard or anything else; that is their business—it is done quite regularly. We have never opposed.

Mr. H. A. Crittenden, Vice-President and Managing Director, Transcanada Communications Ltd.: But the listener, reader and viewer is the judge of their success. Bring on the competitor; we have got to take our place alongside of him.

Senator Hays: This is from a letter: "You may be interested that as a boy I was raised and worked on a farm. I worked at the Eaton Company in Hamilton; for ten years later, I traveled to Western Canada. I am a retired farmer."

"The people survived a depression in Canada and in the 30's, dust storms; depression, the grasshoppers and other pests.

"The worst curse of this area is the monopolized news media. Government committees have proven a waste of the taxpayers' money in the past, so far as Saskatchewan is concerned. Best of luck."

Mr. Sifton: Senator Hays, may I present to you, sir (might I have it back?) a file. I suspect by the wording in the letter that I have had correspondence with this gentleman before.

Senator Hays: Should we ascertain if it is the same fellow? I had several files when I was the Mayor and several large letters.

Mr. Sifton: I spend some days more on the phone than I do with my wife.

The Chairman: On that happy note, I think we should give ourselves a five minute break. We will perhaps reconvene at about eight minutes after four, if that would be satisfactory.

• 4.00 p.m.

Thank you.

The Chairman: Honourable Senators, I think we could perhaps reconvene. I do not want to ask a series of questions, but I have a couple.

Senator Hays: May I ask just one more question?

The Chairman: Yes.

Senator Hays: This is on Page 48, Paragraph 89.

Mr. Sifton: 48, sir?

Senator Hays: Yes. Down at the bottom, you say, "In particular, and in any event, we believe most strongly that to subject the press of Canada to the discretionary supervision of a regulatory board would—regardless of the quality and integrity of the board members—constitute the gravest possible threat to these freedoms."

I should like to ask, Mr. Sifton, the management of a newspaper itself, is this not a regulatory board? Does it constitute a threat?

Mr. Sifton: Yes; it is a regulatory body. It must be, and that in the sense of responsibility for that outlet. However, it is not the only outlet in that community by a long shot.

In the case of having all of our media in Canada under regulatory bodies, I think, yes, it would create a threat.

Senator Hays: Any...

Mr. Sifton: If we had all our media under regulatory bodies, whether a threat of or lack of threat, as the case may be, desired or undesired, or whatever the case may be, whatever might be involved—renewal of licenses and this kind of thing, yes; I think it would be a definite threat to the freedom of the individual to know.

Senator Hays: Do you think that a board within your own organization, your own regulatory body within your organization, is a threat to freedom in some cases?

Mr. Sifton: May I ask, I have been in the hearings the last couple of days. I have heard reference to a code of ethics per se, a press council.

Senator Hays: No; I am just trying to define...

Mr. Sifton: I think any kind of centralized control of thinking in Canada is dangerous—or any other country, for that matter.

Senator Hays: Would a board within a newspaper be a threat; this same sort of threat?

Mr. Sifton: Only because—if it was the only source of information to the community, then I would feel it would be a threat. If magazines were kept out or if cable television was kept out, if radio signals were kept out, there was in fact only one source of information—yes; I think it would be a very important threat to freedom.

Senator Sparrow: May I ask something?

The Chairman: Senator Sparrow.

Senator Sparrow: You asked Senator Hays what a definition of conglomerate was and I think he referred to your firm. You seemed to not understand what conglomerate was.

Mr. Sifton: I have a definition.

Senator Sparrow: In your organization, there is such a thing as danger of a conglomerate and I just ask the question.

Mr. Sifton: May I say in definition of conglomerate, it is motives to me that make the definition, make a conglomerate. If the motive of the proprietor is the motive of supplying a service for profit, then this would be.

If the motive, the prime motive of the proprietor and operations is for something other than some ulterior motive, other than the sufficient and successful serving of a community with a service with the resultant profit, then I would say yes; I have considerable concern as to a conglomerate.

Again I say it comes down to definition. I do not want to say that is a conglomerate in my definition. There are some conglomerates today that are predominately motivated by

sheer appreciation and the stock market. You and I both know of these.

Again, if the motive is to provide sheer appreciation, that is one thing. God bless them. If the motive is for providing a successful service to the community, then that is a different thing altogether.

I do not look upon the conglomerates that are looking for service to the community as being conglomerates.

Senator Sparrow: Who determines today the motives of the publisher, radio, the TV?

Mr. Sifton: I think you know special interest publications have historically failed over a period of time. There are very few, if I might make the obvious observation, newspapers that have been founded for the purpose of special interest.

In any competitive situation you will find that if there are two newspapers in a community, one is doing a job of serving the community and doing the job, as we see it, of contributing to the information pool from which the public can make decisions.

If they are actually doing that, they will beat the living "be-Jesus" out of the one that is only peddling a special interest.

Now again, if you are talking conglomerates, I thought conglomerates were ones with a motive of a special interest, that of share appreciation. If this what you are referring to as a conglomerate, then I suggest they are not likely to be a success and any success they have will probably be a short-term success.

Does that answer your question?

Senator Sparrow: It does to a degree excepting if one firm has or an individual owned all of the media in a province, they could own all of the media across Canada as such. It is a possibility.

Your brief is very opposed to any government regulation—and I buy that, but in fact, if the build-up is towards conglomerates, as we are referring to them, is there some area where perhaps legislation or regulation may be required, if not now, at least to be able to look to the future where the possibility may be and be prepared for it when it comes?

Mr. Sifton: If the people of Canada decide by one method or another that there should be some form of regulation, I suggest that whatever is done must be done, if indeed the

basic interest is the public, I suggest that it must be done not by regulatory bodies with licensing and all involved.

There is no question the licensing and the fear of removal of that licence has a bearing on the vehemency that is involved in the fight, the degree of exposure of difficult problems in the community.

I think that that has a major bearing. I think that it would not be to the public interest to have media in the hands of regulatory bodies. I must make it very clear I do not cast any aspersions whatsoever upon the individuals of the CRTC. We think they have done a fine job.

But by the very nature of the brief, they have had some extreme difficulties in their operations which I am sure they will admit. They are only some of the media.

If all of the media fell into the hands of regulatory bodies, I suggest it would be a serious threat to freedom of the individual in our society.

The Chairman: I wonder if I might ask you a question. On Page A-25, Paragraph 40 you say—and I quote: "On the other hand, a proprietor who owns a single outlet may operate it in such a way as to be highly detrimental to the public interest."

Could you give me an example of a newspaper outlet operating in Canada that is detrimental?

Mr. Sifton: No, sir. What we are talking about is a hypothetical situation.

The Chairman: You do not think a newspaper in Canada which is operating detrimentally for a single purpose can be named?

Mr. Sifton: It is a big country with a lot of newspapers. I am not in a position to, and I were, maybe I could make a learned decision. But for me to make a statement of this nature, I am sorry; I cannot. I do not know of any at the present time.

There may be some. I do not know if there are. If there are, they are a small minority.

The Chairman: Okay. There are some; none that you know of.

Mr. Sifton: No. That part is part of the overall discussion in this area, for those who have the brief, and we say that mere closed media is not in itself detrimental.

The Chairman: But a single outlet is not necessarily detrimental either?

Mr. Sifton: No.

Mr. Crittenden: That is where one case was brought out; the idea of a single operation.

The Chairman: Could we deal with that part?

Mr. Sifton: In a brief covering one survey taken, there only was one case they could put their finger on that they felt was operating detrimentally to the public interest and it was in a single ownership operation. Do you recall this?

The Chairman: That brief I am familiar with. It was put out by the National Association of Broadcasters.

Mr. Sifton: That is correct, sir.

The Chairman: Can you give an example?

Mr. Sifton: If we had an example, we would have put it in the brief.

The Chairman: I have some other questions. I will defer to Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman.

I would like to question Mr. Macdonald, if I may. In your brief on behalf of the Star-Phoenix, Mr. Macdonald, you explain how and under what conditions and on what terms you came to work for Mr. Sifton.

I am reading from Page 7 and also Page 8. When you were hired, the owners felt they must hire someone to be a member of the Sifton family who shared their philosophies of newspaper making. This goes on for a couple of pages.

Then on Page 9, you refer to terms of reference, with guidelines governing opinions expressed by the newspaper on the editorial page.

Are you referring to written guides which were handed to you by Mr. Sifton when he hired you?

Mr. M. Macdonald: No.

Mr. Fortier: What was the nature of those guides?

Mr. M. Macdonald: As I outlined here.

Mr. Fortier: It was a result of discussion that you had?

Mr. M. Macdonald: Yes; rather long discussions, I might say.

Mr. Fortier: In Item 9, you say "It was, naturally, agreed that news also be selected with an eye to good taste and the laws of the land."

Could you tell us what you understood to be good taste, as defined by Mr. Sifton at that time?

Mr. Macdonald: I do not think either one of us defined it at the time. I certainly do not think I can define it in a broad sense now because it shifts from day to day as the mores of the community change.

I can give you an example of a picture that shocked me that we ran last week. I expected the roof to come down on my head. I got one phone call and one phone call only on it. It was the news editor who had made the selection. When the paper arrived on my desk, I was a little disturbed by it. It was one of the pictures of the bodies in the Vietnam thing. It was a pretty shocking kind of picture.

Now, I did not question the news editor's judgment on it. I read through the story and part of the story said that it had gone to the United States Senate committee and the pictures had made them physically ill.

I felt to tell the story like this that the news editor probably used good judgment to illustrate. Apparently it was accepted by the community.

I cannot help wondering, I do not know, if this would have been the same reaction we would have gotten five or ten years ago. I am older than the news editor and I did not talk to him, but presumably he gave the same sort of consideration that he gave everything else.

Mr. Fortier: Would it be fair to say that you presumed that Mr. Sifton, had you checked with him, would have allowed you to publish the picture?

Mr. Sifton: He never had been asked to check with me, ever.

Mr. Fortier: In the discussions to which Mr. Macdonald alluded, would this have been included in the guidelines? Did it influence your own judgment when you decided to publish the picture?

Mr. Macdonald: Yes.

Mr. Fortier: Did you in your mind think back to the conversation which you had two and a half years ago with Mr. Sifton?

Mr. Macdonald: No; it was just my own reaction to the picture.

Mr. Sifton: Mr. Fortier, may I make one comment? On the question of good taste, it is our professional responsibility, in our view to be knowledgeable, to be sensitive to the bounds of good taste as judged, not by us, but by our customers.

Mr. Fortier: By the readers?

Mr. Sifton: By our community and the area. It is the responsibility of the manager and his team to judge whether this kind of a picture would fall within the bounds, as they know them or believe them to be, of decency, propriety, etcetera within the community.

It never has been suggested that we should foist our bounds of decency or lack of decency—whatever the case may be—upon the community.

Mr. Fortier: Supposing you picked up a copy of the Star-Phoenix one day which you believed to have been in bad taste in your own judgment. Would you tell Mr. Macdonald?

Mr. Sifton: Oh, we have a continuing dialogue. The next time I would contact Max, I would say, "What happened when you printed that picture?"

Mr. Fortier: Has this happened?

Mr. Sifton: Have I asked questions of this nature?

Mr. Fortier: Has this happened that you picked copies of either one of your newspapers and found pictures or stories which you thought to be in bad taste?

Mr. Sifton: We always have continuing dialogue and again, as I emphasized, the dialogue aim is for a team; these are the people who are responsible for a professional job.

Mr. Fortier: But if you, as the owner, thought any given time that a story in one of your newspapers were in bad taste, would you tell your editors?

Mr. Sifton: Yes; I would. I would start off by saying, "What happened? What was the result of it? Did we get into trouble?"

Now, in my association with these enterprises in this team, there has been only one editor who was removed. I am very anxious about quality; but it is a matter of taste. If you get an individual that has concertedly gone about trying to destroy by, for example, articles and letters in the community, then we try to come up with a common understanding.

If we cannot hit a common understanding as to whether it makes sense, if it is a blatant case, then we decide to go our separate ways. Now, that has happened rarely. It has happened on one or two occasions.

Mr. Crittenden: On the matter of taste in the broadcast part of our entity, we are confronted with entertainment ads and on the latest kick, sex, with due respect to the girls that are in the house, appears to rear its ugly head. We are going into homes, to the living room or family room or kitchen where the family is involved.

Mr. Sifton: We have to make a decision: Is this the time? You know, 11:30 at night, when some of the youngsters are in bed, probably is a good time. It is maybe where it should go.

We are turning down some entertainment ads that we just think are too rough for a particular time of day.

Mr. Fortier: You would run them later on.

Mr. Crittenden: Maybe not necessarily. Now, if somebody acquires the rights to Hair and comes to my management, I will let them use their own judgment on this, but I question very much whether we would make anything like that without it being reasonably late at night and highly publicized for what it is.

Now, the people of Regina, I think, percentage-wise are going to see Hair as much as percentage-wise they are going to see it in Toronto. Again, I think we would do a disservice to our community to play something of this nature in general audience time.

Mr. Fortier: I would like to relate that statement and Mr. Sifton's present statement to question Mr. Melville. I read that your newspaper, Page 21, "considers itself a family journal which can be read by anyone in the family who has the ability to read."

Would you make the same distinction when it came to taste as Mr. Sifton and Mr. Harold Crittenden?

Mr. Melville: Well, there are some things that we do not use in relation to some news stories—particularly if we come across one from the United States or Europe going into some details that to our minds, after some discussion, are not necessary.

I know that—I do not know why, but if you look at movies these days, which I am afraid I do not do too often, you see a man and woman going into a bedroom. Now, in my young days, the mere fact they were going into the bedroom as such was sufficient for me to realize they were not going in there to discuss pet dogs.

Nowadays, I understand they go through, well I was going to say the full motions. In other words, they give them the works. Maybe that is even worse I do not know. You get the picture.

All right, but there are some things we take out because we feel it is a family journal. The context or the flow of motion, should I say, is not lost by taking things like certain four letter words that sometimes appear in some copies. It is not necessary to get the message.

Mr. Fortier: Is there in Regina another type of newspaper which would not necessarily appeal to the family?

Mr. Melville: We have a university paper there, if you are familiar with it.

Mr. Sifton: We are not in a position to judge, nor do we suggest there should be possible prohibition from one who is.

Mr. Fortier: Surely you are in a position to judge the needs of the community.

Mr. Sifton: We try to provide a service to the community.

Mr. Fortier: Since there is competition in the newspaper field in Regina, I ask the question, are there segments of Regina's population which would like to see four letter words or other items which you would not publish in your newspaper?

Mr. Melville: We certainly would not run a center piece picture as does Playboy. They can get Playboy. It is available there. There are other publications coming in that deal with all kinds of stuff.

The Chairman: How long have you been with the paper?

Mr. Melville: Roughly 35 years.

The Chairman: May I ask you on the whole question of taste, have the standards in terms of taste changed in those 35 years?

Mr. Melville: Indeed they have.

The Chairman: You progress more slowly?

Mr. Melville: That is the idea.

Mr. Sifton: There may be a time—we are in a time when these mores are changing rapidly. At the present time it is not inconceivable that things we are doing today that are accepted as maybe being square in the community may, tomorrow, in fact be judged obscene by that community.

These mores alter. They fluctuate through history. It may be that we are out of line tomorrow. It may be that the judgment is going to swing in the other direction.

Mr. Preston W. Balmer (Vice-President, Regina Leader-Post Ltd.): Panty ads in our town don't shake us today.

Mr. Fortier: I am glad to hear that, sir. Did they 10 years ago?

Mr. Balmer: They shook me.

Certain people in our community have information which they would like to have and which we do not provide. I would just like to suggest to you that we are not doing so because I have a record here of 103 weekly newspapers published in the Province.

There are 10 other Canadian newspapers circulating in the province. That is from out of the province; over and above the Moose Jaw and Prince Albert paper, which, as you know, are published in Saskatchewan. There are 17 published in the province which do not belong to the Audit Bureau of Circulations, so we have no record of how much they penetrate into our community.

There are 25 Canadian magazines who are members. There are eight Canadian farm publications, 11 Canadian business publications, and 69 United States magazines, including Playboy.

Mr. Sifton: That for a population of just under a million.

The Chairman: Could we pursue that? Just what is the population?

Mr. Sifton: 146,000; that is the Chamber of Commerce talking; 146,000.

The Chairman: And the Leader-Post, according to the circulation figures, is about 60,350.

Mr. Sifton: 68,000 altogether.

The Chairman: And is it the only daily newspaper?

Mr. Sifton: That is one of many sources.

The Chairman: CKCK, Regina, a circulation of 143,000—143,500. Are there other radio stations?

Mr. Sifton: Yes; there are a good many other stations in Regina. There are four others in Regina besides CKCK.

Mr. Thomson: Perhaps I should correct that 68,000 figure. That is the circulation of the Leader-Post; 39,000 approximately are circulated in the city and approximately 29,000 are in the country.

The Chairman: CKCK-TV station in Regina has a 178,300 figure. Are there other television stations in Regina?

Mr. Sifton: Yes. The Moose Jaw station is really a Regina-Moose Jaw one. Regina and Moose Jaw have one market and, indeed, the Moose Jaw television station, certainly in their trade journal advertising, refers to CHRE—Regina; they have a stick on the east side of Regina and we have a stick on the north of Moose Jaw and they are treated as one market.

The Chairman: Well, Mr. Balmer, you listed some penetration of other media into the community. You listed, I forget how many, newspapers from outside.

Mr. Balmer: There are 12 Canadian newspapers circulated in the province, 10 from outside the Province and, if you like, there are 14 daily newspapers in the province, including two of our own and Regina-Moose Jaw, but there are 10 coming from outside the province.

The Chairman: Would you agree that it is fair to say that the Regina Leader-Post is the only newspaper, the only daily newspaper which circulates in Regina and gives coverage to local Regina news?

Mr. Sifton: Yes. There are university papers—

The Chairman: But I am talking about coverage of Regina City Council on a daily paper

basis. Surely it is exclusive to your paper so; therefore, is it not fair to say if I live in the City of Regina and want to read daily newspaper coverage of, let us say, what is happening at the Regina City Council, then I must buy your paper?

Mr. Sifton: The only consumption of information is through the printed media. Yes; this is true.

The Chairman: Because you would agree. I am sure.

Mr. Sifton: It is axiomatic; it has to be.

The Chairman: Do you agree the in-depth coverage is superior to television or radio?

Mr. Sifton: I will buy that. I am not inclined to make bald statements.

Mr. Crittenden: You have got five radio stations covering City Council to a good degree, and you have two television stations that are doing the same thing in Regina. Now, aside from the daily reporting of those activities through our particular medium, if there is anything that is of real interest to the community, then either our radio or our television takes the in-depth, either through open-line shows or special features, which we have done many times.

We are not the only ones in the community. The other broadcast stations will—well, we sometimes say they are not as aggressive, but in particular instances, they do it.

The Chairman: I think I take that point. If I may express an opinion, I do not think radio stations or television stations provide the kind of in-depth coverage that I am speaking of.

I agree from time to time they move in on special events. Would you agree with me, Mr. Sifton, that a newspaper which is the only newspaper in a city the size of Regina has a special responsibility?

Mr. Sifton: Yes. I suggest to you that—just a second now, because of the complexities, I do not think you can say they have a monopoly.

The Chairman: I did not say a monopoly.

My question was, would you agree that a newspaper which is the only daily newspaper in a city the size of Regina has a special responsibility?

Mr. Sifton: Our attitude all down the line is a matter of is it in your self-enlightened,

better interest to provide a non-biased service.

The Chairman: So the answer to my question is yes.

Mr. Sifton: I do not think in a multi-newspaper community that I would do any differently. Maybe Bill Thomson would like to make a comment on that.

The Chairman: By all means. I would like to ask Mr. Sifton a question which he has anticipated. Does an operation of an only newspaper in a city the size of Regina—I think you have said there is a special responsibility—my next question is how does that special responsibility differ from the responsibility of the proprietor of a daily newspaper in Toronto or Montreal?

Mr. Sifton: We are accustomed to providing this kind of service so that it is a hypothetical case. If I were to be in the position where I was responsible for a newspaper operation in a multi-newspaper town, I cannot see that we would alter our methods or approaches or philosophies in any way, shape or form.

I think you can only read one newspaper, or most people only prefer to read one newspaper. There are people and lots of them who have special interests and want to get all the newspapers' approaches on it, but I do not think we would change our philosophies in any way.

I cannot conceive of any difference.

Mr. Balmer: I would like to make a comment. We sometimes have our disagreements. I am sure we agree with this one. He is all the time berating for certain what he thinks are inefficiencies. We say, "Look, here are 10 other papers doing a job. This is better than any one of them." He says, "I am not a bit interested in what the other newspapers are doing. We have to do the best job we can." That is his answer. This is the philosophy that operates in Regina, Saskatchewan: We know what other newspapers are doing and as long as we are better, what somebody else does is of no concern.

Mr. Sifton: We are not interested in the yardsticks of somebody else; we create our own yardsticks.

The Chairman: I would like to return to yardsticks in a minute or two.

Mr. Thomson: I think we have a responsibility. I think we do everything that is

expected of us and I think we meet the needs of our readers.

Over here I brought an exhibit to show the sort of service we give to Regina people at civic election time. In that exhibit you will see a series of stories that came about in various ways through conversations with our own chiefs. I mean our own local executives in Regina.

In the articles, we outlined the whole operation of civic finance. Closer to the election, we ran another series of stories which had to deal with money questions that were coming before the electors. All these things were discussed fully and everything was laid out for the electors.

Two days before the election, we carried one full page of aldermanic candidates and who they were. It is in the book.

We also carried on another day all of the school trustee candidates. When I say we devoted a full page, I should say we devoted our main local page, page 3, for this particular information to the public.

I say this is our responsibility. We feel that the public must be informed and adequately informed and we think we carry out that responsibility adequately.

The Chairman: I am going to ask Mr. Thomson when that was.

Mr. Thomson: Just prior to the last civic election, in early November.

The Chairman: I would be curious to know what percentage of the electorate voted.

Mr. Thomson: 32 or 35 percent. It was not good; it was in that area.

Mr. Sifton: May I just ask to clarify, would you do it any differently if you were operating in Montreal or Toronto?

Mr. Thomson: Not in principle; no.

Mr. Sifton: In other words, the basic philosophies you applied to the situation you would apply at a multi-newspaper situation as well?

Mr. Thomson: We have done this to a greater or lesser extent every year for civic elections. We do it for every provincial election and for every federal election, too.

Mr. Crittenden: On the point of obvious concern to you, the low vote. I should explain in the community that the office of mayor

only comes up once every second year and attracts public attention more in that year than in a year in which you are just replacing a few aldermen.

In a year where the mayor is included with the aldermen, then the vote goes up, but not to our liking.

The Chairman: I would like to return to Senator Hays, but I shall come back.

Senator Hays: I would like to ask a question about the amount of space that you give to agriculture. There is a great vacuum as you pointed out in your brief and that is as far as farmers.

There is a great deal of information that is just not available to farmers today. I realize your papers are doing an excellent job so far as farmers are concerned.

Do you feel more could be done insofar as agriculture? I would like to, for instance, point to the man who grows wheat which out-yielded the wheat which you grow mostly in Saskatchewan by seven or eight bushels. Saskatchewan farmers are still growing great percentages of that much cheaper wheat and I do not know what they are going to do.

Are you getting stories as far as agriculture is concerned? You also related that 36,000 papers in are Regina and 29,000 went to the outlying areas which would be mostly the farm community, whether they were in towns or not.

Mr. Thomson: It is farming communities that read our papers even though the papers go into the villages and towns. The changing living habits in Saskatchewan have been similar to other places in Canada and a great many farmers now live in little towns for a large part of the year.

In some cases, they live there just the winter months. In other cases, if the farm is not too far, they live in town and commute to the farm and carry on farming operations.

As far as agriculture goes, we carry every bit of agriculture news that we can find and get our hands on. We have one chap on staff, a reporter, who has become pretty much an expert. I would think perhaps he is not a technical expert, but he has a good working knowledge of a great many things having to do with the farm and writes a column at fairly regular intervals.

I could not tell you exactly what they are. He is also a chap who is reporting and is so

respected by agricultural organizations that he is invited into their sessions which are otherwise kept closed to the press.

Senator Hays: What percentage of your staff are working in agriculture?

Mr. Melville: There is one reported whose sole duty is the coverage of agriculture and we have another chap who is now promoted to others, but he is still there and he actually is our expert. The other fellow is a good man and is under his guidance.

Mr. Sifton: May I suggest there are stringers out in the community. A good amount of the agricultural news comes out as news and can be treated by other members of the staff, in that sense; but Scotty is talking about the constant delving into what you call the farm beat, the agricultural beat. I think that is fair to say.

Mr. Melville: On top of that we have a provincial editor, a knowledgeable man coming from a farm area in the first place and travelling the country extensively. So we have men go out all of the time.

Senator Hays: How did you treat the fact that the Government provided \$225 million and advanced payments to wheat farmers?

Mr. Sifton: Front page.

Senator Hays: That was front page news.

Mr. Melville: Yes; sure.

Senator Hays: That is the way you would treat that sort of news?

Mr. Melville: Absolutely yes.

Mr. Sifton: The most important factor, sir, is the community. It involves a great deal more than merely the farmers direct involvement.

Senator Hays: The premier did not know it.

Mr. Crittenden: From the electronic end of the family we recognize how important it is, the agricultural field, and we originate the weekly show, Rural Route Saskatchewan. This has been going on for a good number of years and has the participation of both provincial and federal officials, with strong participation of the farmer. You better believe this, any amount of money that comes from anywhere gets a dominant place in any news-cast we have got.

Senator Hays: I should say I could make you feel kind of good. We have done a bit of a survey and your papers are one-two in all of Canada, so far as this goes.

Mr. Crittenden: We are most pleased.

The Chairman: Senator Hays, you have been doing your homework. May I just ask a further question of Mr. Sifton, a hypothetical question. Would you think it would be regrettable if in a city like Toronto there was only one daily newspaper?

Mr. Sifton: Boy; that is a hard one to answer. Let me say this: It may be in due course with the changing desires of the public, it may be that there will be no newspaper in due course.

The Chairman: I did not say none.

Mr. Sifton: I am saying there may be one, may be none, may be 20, but we do not know. For example, the things that are referred to in magazines today, are they going to be the future for the newspaper?

The Chairman: Would you think it would be a healthy situation if in Toronto there were only one newspaper?

Mr. Sifton: And how many radios?

The Chairman: Talking about daily newspapers for the moment.

Mr. Sifton: I would not want to make a bald statement in respect, sir. I am sorry. It is conceivable it might be bad. If that were the case, it might be more likely they probably would serve the community well for the people who want to get their basic information, their background information, the whole works, from a newspaper.

I do not think that I can go on record as saying this kind of thing is absolute. I do not think it is absolute. I think you have to look at the situation and all of the sources of information.

The Chairman: Let me put another hypothetical question. Let us theorize there is only one newspaper in Toronto. Would you agree with me that we could then describe the newspaper as having a monopoly so far as daily newspaper circulation is concerned in that city?

Mr. Sifton: Not necessarily. It would be a monopoly only if they performed there in such a way as to prohibit another newspaper.

If they went out of their way, for example, to consciously drive anybody from coming or indeed to the licensing authority and said, "Do not license", I think you might be into a monopoly situation.

It is a pretty hypothetical situation. The yardstick that I apply is a matter of service to the community. This is another thing altogether.

The Chairman: Let me ask you a more practical question. How big must a city be before newspaper competition can survive? In other words, let us say the Prince Albert daily newspaper is the only newspaper in Prince Albert. Presumably another newspaper could not survive there.

Mr. Melville: In Vancouver a few years ago another newspaper tried it and failed.

Mr. Sifton: On the other hand, using those same yardsticks, look at the small community that has daily newspapers and has had them for a long time on small revenues, smaller than are available to the Vancouver market.

Mr. Melville: With reference to the period when we had a second paper, I looked at it at that time. There was nothing wrong with it, but economically, it just could not work. One or the other had to go.

The Chairman: I am not being critical.

Mr. Sifton: I do not mean to be difficult. I do not think that you can—that I can make that bad a statement.

The Chairman: I think personally that in a city the size of Regina in which you own the only daily newspaper, that that puts you in an unusual situation. I am sure you would agree. Now what I am trying to find out from you is what size of city do you think could support another daily newspaper at the present time compared to Regina?

Mr. Sifton: Let me ask a question, too, to the answer. I have been laughed at by an awful lot of people from coast to coast when I got involved in Toronto Life Magazine. I think we are going to make it but everything said it could not be done.

I do not know. I do not think that I could make a bald statement that a town of 100,000 can support one, two, or three newspapers. I do not know that I am on sound ground to say that 100 million people can support a

particular number of newspapers in general, even when you get a role of that nature.

Look at New York, for example, with the dollar that is involved. You talk about economics. I do not think the economics—I think there is a great deal more involved. I do not think that you can pin it directly to the straight economic factor. Look at the New York market. It is a fantastic area.

Any yardstick that I may have does not apply and vice versa. I do not think that there is a magic formula. I really do not.

Mr. Crittenden: In answer to your first question, if we had three newspapers, I think we would find it regrettable if one of them went under.

The Chairman: That is a good answer.

Mr. Sifton: We think it is less desirable.

The Chairman: I am trying to establish what in your mind is the size of the community in Canada which can provide for a competitive situation.

Mr. Crittenden: It is pretty difficult. You look at the American scene.

Senator Hays: What about Edmonton?

Mr. Crittenden: There is a city of 420,000. Calgary, which is smaller, supports two; Edmonton one.

The Chairman: Without my passing judgment on the Edmonton situation at all, do you think it healthy that a city the size of Edmonton only has a single newspaper?

Mr. Thomson: I think you have to look at the sort of job the Edmonton Journal is doing. If it is providing the service to the public that the public requires and needs, then I see no harm in a single newspaper in that city. The more service available to the public, the better so far as the community interest to the citizens is concerned.

The Chairman: Is it healthy in Regina?

Mr. Sifton: This is one of the reasons why we never have gone out and said, "Do not license our competition." If there is a new guy who wants to compete, let the public decide.

Mr. Crittenden: Obviously if there were another paper in Regina and it could survive, then we have a desirable situation.

The Chairman: You have been very patient in my line of questioning. I do not want to prolong this. You said earlier in the presentation about the people passing judgment on the adequacies of the various media you represent. I would suggest to you that that is true up to a point.

Mr. Sifton: Sure; put us out of business in a hurry.

The Chairman: You must remember for the certain kind of service you have, they have no alternative in that community. I think you agree.

Mr. Fortier: Mr. Melville, if the owner of your newspaper gave the newspaper a million dollars to improve the Leader-Post, what would you do with it to improve your newspaper. How would you go about it?

Mr. Melville: First I want to see if it was counterfeit because I do not think he would give it.

Mr. Fortier: The reflection...

Mr. Melville: When you see all that money at one time, with all due respect, I have not...

Senator Hays: Joe Smallwood would know what to do.

Mr. Thomson: You may or may not be aware that is was only about five years ago that we erected the new plant in Regina.

Senator Hays: I am aware of it.

Mr. Thomson: I have among the exhibits a set of pictures to indicate the kind of plant we are operating, the atmosphere under which people work and I think they probably indicate the fact that, perhaps, we could not spend a million dollars.

Mr. Fortier: I would like to hear from the editor to see if he could improve his newspaper with the million dollars.

Mr. Melville: I suppose I could possibly hire back some of the bright young men who left us for the richer fields in eastern Canada. I know a number of them that started out with us, green as grass. We helped train them. You must remember in our papers, there is one thing: The key members of our staff have been with us for a great many years. They grew up inside the paper situation, as did Bill Thomson and myself, our news editor, our provincial editor, the fellow who puts out the

front page. They have been with us, none of them less than say, the end of 1945, after the war.

These people are good people, competent people, so when some young men with great possibilities come in with us we are not going to keep them, but if I had a million dollars, I would bring them back. Do you want me to name some of them?

Senator Hays: You named them in the brief.

Mr. Fortier: I would be interested in hearing whether or not there is an aspect of your present coverage which you would attempt to improve, for example.

Mr. Melville: You could do it possibly a little easier with more bodies, but we work hard at it as it is.

Mr. Fortier: Would you like to have correspondents in other cities besides Ottawa, across the country?

Mr. Sifton: It would be nice to have our own man in Moscow, Paris.

Mr. Fortier: Let us start with Canada.

Mr. Melville: I think Ottawa; I would not mind having one in Vietnam; I would not mind having one in Moscow basically.

The Chairman: How about in Quebec?

Mr. Melville: Yes, sir; in Quebec. I am fond of Quebec.

Mr. Fortier: May I ask you the same question. How would you go about improving the quality of your newspaper if you had more funds than you do have today available to do so?

Mr. Melville: I would be inclined to use these funds to give more of our reporters more time for more detail. Now we do have some who would like to work on a story for six weeks, but their time is limited. On occasion, we are able to take a good senior man out and turn him loose on something we feel is very important so he can do a real solid backgrounding job on it.

We carry the day-to-day news. I really feel there is a function in a newspaper which was, at one time, really looked upon as a function of the magazines—of taking these day-to-day stories and drawing them into perspective. This is the way I would be inclined to use that million dollars.

Mr. Fortier: You make a point—I am addressing my question to both editors here—of stressing that your newspapers are politically independent and that this is as the owner would wish it. Now has it ever happened in either a provincial or a federal election that you have endorsed different leaders, different candidates competing for the same position?

Mr. Melville: I would say this: I do not know. Not in my time.

Mr. Fortier: Going back five years.

Mr. Melville: I have been there only since 1964.

Mr. Fortier: But your time with the newspapers goes back. I am just not clear on your answer. I am sorry. You have been with the newspaper 35 years.

Mr. Melville: Right.

Mr. Fortier: When you answered "Not in my time", did you refer to 35 years or what?

Mr. Melville: Six years or five years that I have been editor.

The Chairman: Prior to that, did it happen?

Mr. Melville: I am afraid I cannot tell.

The Chairman: Can anyone answer that?

Mr. Thomson: There certainly have been different instances on public questions. However, I think your question was confined to leadership of a party.

Mr. Fortier: Leadership of a party; support at election time.

Mr. Thomson: I cannot recall.

Mr. Fortier: Thank you.

Mr. Sifton: The job of a newspaper, as our team sees it, is to make the information available so that the electorate can make a choice. When that includes the editorial page, there is some information on that page that is written by our people, supporting a stand on the particular issue. There is a great deal of information on that page that is collected from other organizations, other newspapers.

If they see something in something that particularly appeals to them, whether in the Miami Herald or the Timbuktu Journal, they may lift that and put it with the credit as in their opinion a profound statement of principle.

The Chairman: But at election time, your paper takes a...

Mr. Sifton: We take more positions in between elections than at election time. The primary purpose at election time is to make knowledge available. In fact the boys have actually said, "All right, here you are. Here is the space" and published the flat information on the individual involved.

The Chairman: We accept that. Mr. Fortier's question is a good one. Have the Leader-Post and the Star-Phoenix ever supported different parties in the same election campaign that you recall?

Mr. Sifton: I cannot recall an actual position of supporting two candidates, but I can certainly recall a degree of support for one candidate as opposed to another and recall this very well. Regina had a very good friend of mine who was running for the leadership, I believe, at that time, and he said, "Why can't you get Regina to back me, or Saskatoon?"

I said, "That is up to the individual. I cannot do this at all."

I think another thing is related to what Mr. Fortier is trying to get at. This was given to us in a facetious manner, yet I do not think I intended...

Mr. Fortier: No; no.

Mr. Sifton: I think it was about the Star-Phoenix that the Premier said, much earlier, "I think these papers must be doing a good job when all parties are mad at them." At the same time, it was evidence in favour. That was great competition for the public.

Mr. Fortier: Mr. Sifton...

Mr. Sifton: Incidentally, at that time, the other members were in the room and they were going like this too, indicating an affirmative.

Mr. Fortier: I read the brief where only one owner is not inherently detrimental and you have explained it well. What I would like, what I think the committee would like to get from you is a view as to whether there is a point where concentration can become dangerous.

Mr. Sifton: Per se, no. Conversely, we have been talking hypothetical cases, whether in my opinion we can look at Toronto and say—like forget about radio and forget about magazines and other formal means of the flow

of information—to say per se that this is detrimental in itself. Maybe that paper is doing a fantastic job, as I say. It is also equally possible, it has a great deal of bearing as to the type of individual that heads up the corporation, that are responsible for the service that is being provided and it doesn't matter whether the radio, television, newspaper combines, without the others, it still comes back to the people that are involved and the degree of service they provide.

Mr. Fortier: I ask you this question because of your wide experience in the field of media. It is a hypothetical one.

Mr. Sifton: It is a very difficult one to answer. Please, I am not trying to evade...

Mr. Fortier: I am not asking you to name names, but I would ask you to look across Canada, the people involved in the ownership of more than one media and I would ask you, if you can, to tell us whether or not in your opinion power to which you refer in your brief has been exercised detrimentally by the owner of more than one media.

Mr. Sifton: Not to my knowledge. I do not know of any special situation; no. Just to emphasize that point about the multiple owners and their radio is maybe second or third in the market, and again you get back to the public making the choice. So long as they are well served by a multiplicity of units, then the public is going to make a decision.

Mr. Fortier: I was going to refer back to this citation from Mr. Litwin which I find at Pages 20 and 29 of your brief. I am going to read Item 8:

"Common ownership of media was found to be potentially detrimental to the public interest in only one case (out of 38)—in a small isolated market where an economically-powerful family controlled the only newspapers, and a radio-TV combination".

Is there an instance of this type of thing in Canada in existence?

Mr. Sifton: I am unfamiliar with any incidence of this. It is conceivable. I do not know of any. I consider myself a very proud Canadian. I know most parts of Canada.

Mr. Fortier: You make two suggestions; one is about the 75 percent Canadian ownership and the second one is about disclosure of owners. Does your suggesting this mean if the

owner is involved not only in the field of communications, but also in other industries? Should this be pointed out in the newspaper that the publisher not only owns...

Mr. Sifton: Yes. If I might say what our practice is; this is something that we chose to do. If, for example, the newspapers are to make editorial comment at all regarding broadcasting, one of our rare instructions that our gentlemen have been given by me is that they must disclose in the editorial the fact that this company has a sistership involved in the broadcasting business.

Mr. Fortier: Has it happened?

Mr. Sifton: Yes. It has happened. There is another factor here. We talk about the effect of disclosure in the community. It is not necessary to go maybe to the extent that we chose to go. However, we think it is necessary and maybe through the medium of the Securities Act, I am not sure this is possible, it may be through the disclosure factors in the Securities Act.

Take a hypothetical situation where there is a wheat situation in the community and the newspaper decides to take action. It may be that the newspaper is owned by one of the elevator companies. Now, even if the ownership is not displayed, although we choose to go overboard in this respect, even if this is not displayed, the fact is that the wheat pool has got the right to find out whether special interest is involved through a disclosure situation. If they find out that they have a special interest, believe me, the newspaper would be in deep, deep trouble in the judgment of their readers. There is no question of this.

Mr. Fortier: Using your example, would your recommendation go so far as to include disclosure of that ownership?

Mr. Sifton: Yes; I think there should be access to ownership interests by the public. I do not think there is any question of this.

Mr. Fortier: If there is editorial comment, say, on the wheat situation which you have just described, there should be a postscript.

Mr. Sifton: We think so.

Mr. Crittenden: And the public judges accordingly.

Mr. Sifton: The judgment of the public as to whether or not the newspaper's authenticity,

weight of argument, is valid or not could be totally different.

Mr. Fortier: I appreciate your answer; thank you. I just have a few more questions, if I may.

The Chairman: Senator McElman? Fine.

I just might say this has been a long session for the witnesses. We will try to adjourn presently.

Mr. Sifton: Thank you, sir.

Mr. Fortier: I have several more questions. We won't try and spin the thing out. Please cut me off whenever you wish.

Next to Newfoundland—and we heard from a representative of Newfoundland yesterday—Saskatchewan has the poorest daily newspaper coverage of any Canadian province. The figure which I have over here and which you may dispute if you have contrary information is that 34 percent of the households in Newfoundland are reached by newspapers, while there are 50 percent in Saskatchewan.

Now, obviously, there are geographical reasons.

Mr. Sifton: May I make one comment? I have often envied the metropolitan newspapers. They literally lean out and fling the newspaper up the driveway.

Mr. Thomson: Just in case there is a misunderstanding. When the reference to Regina's population was made, it was 146,000. We only have 39,000 papers being delivered in the city. This is a wrong relationship of figures. We should give you household if you wish. In fact, there are about 37,500 householders in Regina and we distribute about 39,000 papers.

Mr. Fortier: My statistics deal with household penetration and the information we have is 50 percent of the householders in the whole province of Saskatchewan are penetrated by a newspaper on any given day, by a daily newspaper. Now, as you will point out, this is for geographical reasons, but the point this would appear to make is that it puts a special onus on radio and television to transmit daily news.

Now, my question in view of this, does CKCK radio in Regina provide more than CKOC in Hamilton?

Mr. Crittenden: I think probably CKCK does because we are the oldest and we were the first station by a country mile in our community.

Mr. Struthers: I think we got this way by giving the people what they want. For instance, we have special coverage of the legislature, City Council, you name it. It is in the book here, all the facets that we project through broadcasting station.

Mr. Fortier: I could not make a comparison between the Hamilton and Winnipeg stations. I wonder if you have figures which shows that in Regina you show more news content over your station than in your Hamilton and Winnipeg ones.

Mr. Sifton: May I suggest, we have one of the most unique situations as far as radio in any comparable market anywhere in the country that I know of and news always has been heavy.

The Chairman: How many people are employed in news at the station in Regina?

Mr. Struthers: Public affairs director, news managing editor, legislative reporter, editor and three editor announcers and reporters, photographers...

The Chairman: Is that radio?

Mr. Struthers: We operate a joint pool in which suitable news for television can be pulled from it as well as for radio.

The Chairman: Can you make a comparison?

Mr. Sifton: Yes. I have been in Regina when we have had a snow storm and people cannot get home. The whole damned broadcast day is disrupted "Mrs. Jones, your husband is not going to get home" and so on.

Mr. Crittenden: To get a little closer to the question, we are serving a far greater area. Winnipeg and Hamilton are more concentrated as far as area. We cover a far greater area that extends coast to coast in our province, and we have stringers all over and we reflect the whole community.

Now, the other thing is that we are located in a capital city and it has a bearing. The people are interested in hearing what is going on in home plate and we project this.

Mr. Fortier: Would you call them horizontal stations in Hamilton and Winnipeg?

Mr. Crittenden: They are a different makeup of station completely.

Mr. Fortier: So you cannot make the comparison that I asked for?

Mr. Crittenden: No; we really cannot. I think I should explain that fitting into the market where we think we can perform a service, and with due respect to my President, this is maybe something the newspapers should do if—there is a specialization, maybe somebody could go ahead and become a competitor to the newspaper field by supplying a specialized service.

It is happening in radio. If you all do the same thing, one is going to be a leader. By picking out specialists, they can make a field for themselves which they can become dominant in.

Mr. Fortier: I was amazed to read that your television station until recently was affiliated with CBC chain and had a higher view audience than the CTU.

Mr. Sifton: That involves an operating approach that we would just as soon not hand out to our opposition.

Mr. Fortier: But have you joined the CTV chain?

Mr. Crittenden: And take our secrets with us.

Mr. Fortier: The formula is a secret one.

Mr. Sifton: No, sir. At this time, the formula is a matter of approach. The more we get into it, the more I am disclosing our hand or our position.

The Chairman: Mr. Fortier was not expecting to divulge secrets.

Mr. Struthers: Our people are deeply involved in the community. This goes for every member of our staff in the main. They know what is going on.

We present a program format, not only that we get from the network, but that of our own station in addition and all of these things made a mix that was desirable, obviously, and in comparison with other markets, appeared to be more desirable, reflecting our success, than it did with other affiliates of the CBC.

This was not true of all of them because I see one sitting in the room that did maybe a

better job than I did as a CBC affiliate. We are most proud of our record.

The Chairman: Have you other questions?

Mr. Fortier: Thank you.

The Chairman: Senator McElman, while you are deciding how you are going to phrase your question, I would like to ask about a quotation which interests me. In Mr. Litwin's National Association of Broadcasters report, at Page 29, you have made a brief statement of his findings.

The first one is "The mass media have less influence on thought and behavior than is popularly believed". Would you care to comment on that?

Mr. Sifton: Yes. It happens to be something right down the line I believe. I do not think it is the popular conception. There is a great power of the press that can lead people down the garden path. I do not think we should worry too much about this. I think the great power of the press is not in that way at all.

I think all we can do—I think it has been time after time after time in history ably demonstrated that we cannot as media people lead people down the garden path or, in fact, get them to do something they do not believe in at all. All we can do is contribute to their fund of knowledge as an information source so they can make a learned decision. That is the name of the game.

The Chairman: Is it not a decision dependent upon what you see in your paper?

Mr. Sifton: I think what they see in our paper is certainly—I would hope—something that contributes to their knowledge, the factors they know about in coming to a decision as to what should be done or should not be done.

The Chairman: Well, I wonder if the people who are selling advertising space and selling radio time and television time, the advertising agencies—and this is a billion dollar business in this country—I wonder if they would agree that the mass media have less influence on thought and behavior than is popularly believed.

Mr. Sifton: I think there are a lot of advertising people that think that.

The Chairman: Isn't your advertising influential?

Mr. Sifton: That you can sell a bad product over again?—I do not think; all we can do, if you are interested in soap, we can maybe inveigle you into buying a specific brand. It never has been suggested, to my knowledge, that if you are not satisfied with a brand that you are going to go back and buy that brand again.

The Chairman: Does advertising not move products?

Mr. Sifton: Yes.

The Chairman: Is advertising not in the mass media?

Mr. Sifton: It moves products through introduction of new products. It moves products to the extent of reminding—I am sure you are not different from what I am. I go to the store with my wife and get some soap.

I have got to admit there is a subliminal thing that is involved. I go to the one that has dingle bells on it because of something.

The Chairman: Please do not mistake what I am saying. I speak as one who has sold advertising in the mass media.

Mr. Crittenden: I think there are two different ways to look at this. There is one that moves in my mind, a pleading announcement every day to the public to drive carefully; you know, respect your family; tighten your seat belts. Yet every day, people are going out and...

The Chairman: Think how awful it would be without these announcements.

Mr. Crittenden: The increased number of accidents means obviously people are not paying too much attention.

Mr. Sifton: All we can do is remind you to put on your seat belt.

The Chairman: All you can say is that national advertising campaigns develop sales, which would drop rapidly without mass media.

Mr. Sifton: Of course. Talking about leading people down the garden path in a political sense, asking them to put their vote on something, they do not want to put their vote on, really is the area this thing if referring to.

The Chairman: Okay. Senator McElman.

Senator McElman: Could I just comment on the discussion you have had. First, I think

there is a differentiation as to short term and long term. In your last statement, you were talking about a short term political aspect of which, if you will let me, please—this was the approach in the famous case of Harry Truman.

This was an effort on the short term to dump a man; perhaps in any event, to give him no chance. It was proven that all of the media were wrong. If they were trying to lead the public, they were unable to do so.

I think all this tires people who are students of what happens in the media. The degree of constant, day-to-day, month-to-month, drip, drip of the Chinese water treatment in any particular area will get through to people. I do not think there is any question. I think that is the approach used around the country to a large degree.

Mr. Sifton: You are referring to the reminder advertising, like the coke billboard.

Senator McElman: No; given editorial policy.

When I speak of the Chinese water treatment, I am talking of some advertising as such, although certainly advertising consultants say you must keep it going; do it both by changing your ad a little today; drive it home day after day. Of course, Coca Cola you mentioned is the prime example to totally convince the population to buy their produce. All they have to do is keep up day after day after month after year.

So I think this statement here was divided as to short and long term. I do not want to get into further discussion. I thought it was a valid point.

Mr. Balmer: you said there are ten other dailies that come into Saskatchewan; is that correct?

Mr. Balmer: That is correct; yes.

Senator McElman: The 10 are not too relevant without circulation. What would be the total of circulation?

Mr. Balmer: I must admit it is not that exciting. I have not totalled them up as such. I would tell you this: They are all under a thousand. The two Winnipeg papers are 882 and 829. Then the Edmonton paper, being the nearest, is 541. The Globe and Mail is one that is really growing—560; plus 213 on a daily basis.

The Globe and Mail Business Report comes not every day, but when it comes, 560. The

daily itself has 213 subscribers and then you go right down the line, there is Medicine Hat News, 149; Toronto Star is 66.

I like to think that in most cases when people move from a community, they retain their papers for some time. Then they will eventually drop this. People will be reaching to subscribe to another paper because they do not like what they are getting at home.

Senator McElman: Well, we are at a 4-5,000 mark; are we not?

Mr. Balmer: Yes.

Senator McElman: So the 10 is not that significant.

Mr. Balmer: That is true.

Senator McElman: Probably, as you say, this is people who have some special interest; it does not compete with local news in any sense.

Mr. Balmer: True.

Senator McElman: The Armadale brief appears to reject out of hand press councils. There are various types of press councils; the type currently used in the U.K., of course, is a self-policing press council, composed mostly of people in the business. I believe there is a judge as chairman. That is one type.

We have heard and, of course, their situation is somewhat different in a geographical sense and other senses from that in Canada. We have heard several propositions as to what might work in Canada. One of those was that it will be a tri-level council, at local or community level, at the provincial or regional level, and at the federal level. Although it was not spelled out, I assumed it is somewhat like the levels of an appeals court, that it could not be handled at the community level. It would move up into the next levels.

Would such a council composed of media people and responsible people in the community, without being established by the government or encouraged by the government or influenced by the government in any sense, would that be acceptable at any level, or at all three levels?

Mr. Sifton: I personally feel that the main thing that is involved here is the substitution of a press council—it is tantamount to the substitution of direct access to the people who are responsible. That I find undesirable. That is substitution for responsibility.

I have even heard some people state that it is a form of yellow journalism. I cannot go that far, but I do think that definitely there is no substitute for the responsibility being firmly placed upon the individual responsible by the community and there is the place where the halter must lie. It must go on the right horse.

Senator McElman: Let me put the same question to the editors. In your direct dealings with the community, would it be of any assistance in carrying through the philosophical objectives set out by Armadale to have some reference to the people of the community in this fashion? Would there be some feedback here that would be useful to you?

Mr. Melville: You are asking me?

Senator McElman: Yes.

Mr. Melville: I personally do not like the idea because I believe myself and the people who work with me are responsible people and responsible to the community. I do not know what a press council could do or would do.

You would have to state cases. Do you know of any cases where a newspaper is so bad that a need of that kind of direction is present? Also, does the Senator, for example, need a body over him or over the Senate to see that it does right? You are public officials in some respects, as we are.

Does Parliament need it? Where do you stop or where do you start? The other thing, and I may be wrong, but it seems they have a press council in Great Britain and not long ago the discussion came up; a certain lady wanted to sell her memoirs. I believe the press council suggested that nobody should touch it with a ten-foot pole because some people have suffered in the past and have rehabilitated themselves. It would be wrong to bring it up again.

One newspaper laughed that off and I understand is going ahead with these memoirs, which I am quite sure will find is an individual paper which has a large circulation. Now, was there any penalty?

The Chairman: Do you think there should have been?

Mr. Melville: No. I think that a press council does not work.

The Chairman: Well, do you think there should have been a penalty?

Mr. Melville: What I am asking is how could they stop this fellow from doing it.

Mr. Sifton: There is a substitution of putting responsibility for republication of that on the shoulder of the individual concerned. You have got a situation like "Don't bother me; that responsibility is the responsibility of the press council."

Senator McElman: Mr. Melville, you are suggesting about it being a body over the press.

Mr. Melville: No.

Senator McElman: Let me tell you please that we would not want another body over the Senate either. It does not apply. Let me say that the principle involved here is not that a press council is over anybody; it is simply a reference point. I think perhaps the best simile that could be drawn is an ombudsman, something that is finding apparently growing favour throughout the world.

The only reason I raise it is because of your reference to Parliament. There are a number of European countries with Ombudsmen who apparently are serving a highly useful purpose to which individuals can make their requests for investigation, not in a legal sense, but consideration of a grievance.

The principle of a press council is very similar; that the public, if they feel a grievance, can go to a reference body—as in a one-newspaper town—and put their case. It is not totally necessarily newspaper people, nor totally just people of the community. It is a combination of each. It has no power of coercion.

Mr. Melville: At the present moment, if anyone feels that they have been wronged by my newspaper, he gets more than equal space in the paper to state his case. I have never refused anyone that access to state his case; never.

That is my responsibility. You have a fellow like the fellow to whom Senator Hays referred. You will never satisfy a man like that if you give him a whole page. You have got those kinds of people, of course. They do not bother us. They are not important, but anybody—particularly public officials—at any time, if they feel that we have not done right by them...

Mr. Sifton: Again, I would be delighted to have you go through the correspondence with this man. As an example, that gentleman

made extensive use of the open-line shows on the other radio stations in Regina.

Now, sir, with regard to the Ombudsman aspect, there is one Parliament in Canada for all of Canada. When I say one Parliament, I mean one government. In the case of the sources of information in almost any community in Canada, with the possible exception of the extreme northland country community, there are alternative sources of information—whether they be print or electronic.

Any one personal opinion has not really too much relevance. The main thing is that he has an opportunity for varying and different opinions to be expressed.

Senator McElman: This has nothing to do with the expression of opinion. It is grievance, of course, that we are talking about.

Mr. Sifton: If, for example, Senator, you have a grievance with Scotty as far as the job he is doing in the community, I am sure that the other radio stations would be delighted to have any information from you that would beat him to death. It is a very competitive community. They have all kinds of opportunities as I say, as were referred to earlier, to make extensive use of open-line programs. They are very important in opinion.

Senator Hays: Do you think they bring listeners?

Mr. Sifton: Yes; big audiences and people are interested.

The Chairman: Senator McElman.

Senator McElman: I am finished with that.

The Chairman: Do you have anything further?

Senator Macdonald: I should like to go to another editor. This morning a few members of the press gallery gave a definition of what is meant by freedom of the press and in my mind it was wider than the traditional definition of freedom of the press.

Mr. Sifton: I think I gave it in a carefully worded section in our brief.

It is the right of the individual to know. It is the right to access to all information. This is a thing that we feel very strongly about. It is not something that we are asking for privately, or asking for ourselves. It is the privilege that we are asking on behalf of you as citizens.

Senator Macdonald: I am wondering if they are confusing the freedom of the press with the right to know.

Mr. Sifton: I believe that they are the same thing.

Senator Macdonald: As I understand the traditional definition, it was the right of the press to print. In other words, they could print unless it was illegal or against libel laws or things that that. Their definition seemed to be somewhat like yours, to include the right to access to new sources.

Mr. Sifton: We are only an implement of the community. In this sense we are an implement: We act on behalf of the citizens to gain access to information for you.

I think that most people today take the attitude that a fundamental right of every person is to have a full and free access to facts and on matters that directly or indirectly affect him, to hear and read the opinions of others who also are free of encumbrances.

That is the wider view, I think, of the legal definition.

Senator Hays: In your policy within your organization, Mr. Sifton—and this is probably old straw—you have a code of ethics within your organization?

Mr. Sifton: We have philosophies.

Senator Hays: You do not have a code of ethics? You do not want to police certain areas? For instance, I have used this example before: A man is charged with rape and then he is proven innocent. Do you disclose that sort of thing in your paper?

Mr. Sifton: This whole area of the police reporting is a very, very difficult one. We are the first to admit this. Our practice and the practice of our newspaper, I think you will find, is that we publish all of the findings of the courts, all of the time: all of them.

Senator Hays: Some prostitute charges some chap with raping and you publish his name?

Mr. Sifton: We do not cover the examination for discovery. That is not correct. If the man is charged in court and there is a court case, the court is open to the public. People sit there, so we also sit there.

Senator Hays: There are many people—well, so far we have found there are many newspapers that do not name names until he is guilty.

Mr. Melville: In most cases like that, we do not use the name until the verdict is given.

Senator Hays: You do not name him?

Mr. Sifton: Until the verdict is given. It is the same with impaired driving. If he is found not guilty, we do not use his name.

Senator Hays: Do you say he is arrested and charged with this and name him?

Mr. Melville: No. Not until after the case is up before the magistrate and the magistrate sends him to jail or finds him innocent or fines him whatever; then we use it.

Senator Hays: If they pick up Tom Jones and charge Tom Jones with rape and he has got to appear in police court on a certain day, do you say Tom Jones?

Mr. Melville: We do not say anything until he is charged.

Senator Hays: Do you mean when he is charged in court before trial?

Mr. Melville: No, when he comes to trial in court, answers his charge, is charged; if the court is open, what would happen if we did not use that sort of thing is that people in court would say, "Why are you people not covering this? The courts are public."

Senator McElman: Among the underlying principles that are referred to in the brief, there are such things as full and free access and fairness, accuracy, and balance. Do you have any sort of consultation on any regular basis with any persons or organizations outside of your own company and its holdings to test those standards?

Mr. Sifton: Every day. They are constantly in contact. Bill, would you like to start?

Mr. Thomson: I am sure that I fully understand. You did not make a reference to the brief, but if I understand you correctly, this is a matter of balance between pro and con on a given news story. Is that what you are after?

Senator McElman: No; no. You have set certain fair standards. I was wondering, although the corporation at the central level may feel that these are being met continually, do you have any measurement, any reference to public organizations, as such, to determine whether these in truth are standards that should change, that should meet changing conditions?

Mr. Sifton: You were saying do we have a set of constant contacts, community listening as to whether things are being treated properly?

Senator McElman: First at the central head office level; then as to what they may have in the given community where they operate.

Mr. Sifton: May I answer the first one? I have a number of friends that are known as being friends of mine that are within the community. In each case, these gentlemen are constantly asking how we are doing or how we are going in left field, or are we on the beam.

There are many ways that I have of judging. I make a point of having friends within these communities who know whether we are out in left field, whether we are in fact, doing a job, at least as far as the people I have contact with and their friends.

Beyond that, all through our organizations we have got people of specific interests. We have people of specific ethnic groups. We have different religions, etcetera, involved.

The first one I mention is by contact in addition to whoever is on the operating scene. We have people allocated throughout the organization. There may be an advertising salesman who has a particular interest in an ethnic group. As an example, one of our senior executives at the radio station is actively involved with the Roman Catholic Church. He not only acts as a barometer for us, but he also acts as a source of information of how we can take part in the lives of these various different sections of the community.

Senator McElman: In addition, I would assume that you do measurement of your readership.

Mr. Sifton: Regularly, sir.

Senator McElman: This would be broken down in various ways, including age groups. Could you tell us out of the studies, do you find that in the standards that you have established, the readership by the youth of today has in your papers been going up or down?

Mr. Sifton: It is a somewhat hard area or community to second guess, as you can imagine. It is a very hard one. We hope we are going to do a job, we hope we are doing a job. We are never satisfied with our own service.

Senator McElman: Did your measurements give an indication?

Mr. Sifton: No; we are not satisfied with what information we have that we are acceptable in that sense. We hope we are doing a job. We are never satisfied we are doing a good enough job. We are constantly searching for ways and means of being in contact with specialized elements in the community, such as the youth.

Mr. Thomson: We do not actually take a scientific measurement of our readership. We do not have that sort of breakdown. We have to rely and we do really rely on what we know and from our own contacts within the community.

This is, as I say, not specific, but it does give a very good idea of how we are doing.

Senator McElman: The reason I ask is, of course, there are suggestions that a large segment of the youth of today are turning off on newspapers as such, and, of course, circulation, looking to your own future—this seems to me to be one of the areas of measurement that is very important.

Mr. M. Macdonald: We are concerned about the youth groups and we have devised a method to keep us in touch with them by working through the teachers in high schools. We have a reporter from each high school in Saskatoon who contributes articles of high school news to a special section that we run on Saturday.

These reporters come in and they talk to the editors who are putting this section together. They ask questions and there is this feedback that we get about how these things are being accepted in the schools.

Now, it is not scientific, but it is an area that we are developing. I hope we develop it more.

Mr. Thomson: That same situation applies in Regina, by the way, of the teenage reporter.

The Chairman: I am not sure what it means, Mr. Sifton, but this has been a session of record length. Therefore I am going to wind this up.

I think Senator McElman has one question. Mr. Fortier has one and I have two, each very brief.

Senator McElman.

Senator McElman: I know you spoke at length of conglomerates and what your feel-

ing is. There is one area I do not think you have touched, certainly in any detail. What would be your position with respect to conglomerates which had extensive media holdings, print and both broadcast media, but these extensive media holdings were only a very limited part of the total holdings of that conglomerate and the total holdings of the conglomerate reached into every sector, major sector of the economy of, let us say, a Province?

Is that too involved?

Mr. Sifton: Yes. I am in a position where I think the most critical element that is involved is the quality of service that is being given. I cannot comment further.

Senator McElman: There is a situation in Canada today where there is a conglomerate, in your definition of it, as well as anyone else's. This conglomerate holds extremely broad interests in every segment of the economy of that Province. It also holds all five of the English language daily newspapers. It also holds a television station which covers better than half of the Province. There are only two English stations. It also has radio interests in the one metropolis.

Mr. Sifton: I know what you are referring to now, sir. I think there is only one that fits the description that you have.

Senator McElman: Now, you have described conglomerates as being all right, depending upon how it is run, with the public interest or public peace of mind to be considered.

Would you care to venture an opinion on whether this is good or not good?

Mr. Sifton: I think that is one of the very few provinces that I have not set foot in. There is no way I can make a sound comment, sir. I would be doing an injustice.

I would be doing the people who are in the room an injustice to be talking as an expert. I am sorry. I am not ducking the question. I am just not in a position to be able to make a sound comment.

Mr. Crittenden: I wish I had the problem.

The Chairman: I will put one of my two questions. You stated in the brief that you are planning immediately to include ownership in the mastheads of your newspapers—how often do you broadcast it on the broadcasting stations?

Mr. Struthers: A minimum of once a day.

Mr. Fortier: This is my last question. It has to be of interest. Mr. Sifton, I believe, the income available insofar as the inheritance tax is concerned is of concern to you.

Mr. Sifton: Not personally.

Mr. Fortier: Members of your family?

Mr. Sifton: Yes.

Mr. Fortier: They are particularly vulnerable because you are a family-owned company.

Mr. Sifton: It is actually a trust-held and I am sole beneficiary.

Mr. Fortier: Would you like to give your views on the amendment as far as succession duties, when it came into being, how it applied to newspapers? I will leave the broadcasting interest aside for purposes of my question.

Mr. Sifton: The same factors apply there. Let me make it perfectly clear that I am not talking from personal special interest in my lifetime. My family's interests are held by a trust organization.

In principle, I cannot help but believe, I cannot conceive an advantage to having media unnecessarily chopped out of the hands of individuals through the imposition of succession duties.

Surely if this committee is very concerned about it and we seem to have had a lot of questioning and discussion and dialogue this afternoon on the business of the media coming in fewer and fewer hands, this has to be a major factor and you will certainly have read the crystal ball correctly; it will certainly be more so in the future.

Mr. Fortier: Would you have any recommendation to make to the committee? We have heard the view expressed—you may have heard it yesterday—that succession duties, in a case such as this, should be spread out over a period of five years.

I have also heard it expressed in another quarter that the succession duties be postponed for a period of 'x' years, then be recaptured, in the event the holders should sell their holdings.

Mr. Sifton: There is a wrinkle that was rather interesting where I think the Toronto, and I speak from what I know of what happened—there is a situation I believe in Toron-

to where the decided goal of correspondents seemed desirable within cosmopolitan community like that. They could not last on the basis of the existing taxation so they said, "All right, we will tax you a different rate". It may be that this could be highly desirable.

The Chairman: The last question I would like to ask is, do you think your papers contribute to the national interest?

Mr. Sifton: I would sure hope so.

The Chairman: Do you think they should?

Mr. Sifton: Let me put it this way: I am a Canadian and in that sense, I say, yes.

The Chairman: Last night we had as witness Mr. Claude Ryan, the publisher of *Le Devoir*. He was very critical of the coverage which the rest of Canada received in Quebec, but he was also very critical at the same time of the coverage of Quebec in the rest of the country. He made particular reference to the fact that with the exception of the three Toronto dailies, that none of the other daily newspapers in Canada, in his opinion, did an adequate job of servicing French Canada.

They were not inventive in discovering ways and means of covering that part of Canada.

Mr. Sifton: We had a situation at CKOC, some years ago now I am afraid, where we had an exchange of programs with a French station. I think it is a question of money, mainly. We are one of the few people, one of the few organization of our size that have an Ottawa correspondent, sitting in the back of the room—Stirling King does a fine job for us.

The Chairman: He's a good man.

Mr. Sifton: I would think if you posed that question to Scotty, Mr. Fortier, "What would you do if you had a million bucks to spend on your source material," that has to be one of his answers, where he would have additional people in these areas.

Mr. Fortier: Would you like to see him delegate a correspondent to the Province of Quebec?

Mr. Sifton: Now, this is off the cuff, without looking at the mess they are involved in.

The Chairman: Well, the other point, Mr. Sifton. The broadcasting business says that you must contribute to national unity.

Mr. Sifton: But in broadcasting, you must conform to the law; but I wonder if you think...

The Chairman: You said you think you should.

Mr. Thomson: I think I should point out one thing. We do have full access to exchanges of news through Canadian Press.

They may not do enough; I cannot say. We certainly carry a good proportion of all Quebec news that comes into our city over press wires.

The Chairman: I said earlier that this has been a long session. We must remind ourselves and the witnesses that we are receiving not one, but three briefs. We are very grateful. I thank each and every one of you on behalf of my colleagues and myself.

Senators, in our next session at eight o'clock this evening in this room, our witness will be Professor Tom Sloan, who is a veteran journalist and now head of the journalism faculty of Laval. He will be discussing the role of the media as it relates to national unity and he will be discussing training for journalism.

Thank you.

The committee adjourned.

(Upon resuming at 8 p.m.)

The Chairman: Honourable Senators, if I might call this meeting to order. The witness this evening, as I am sure you all know, is Mr. Tom Sloan who is a former newspaper man and now is the head of the faculty of communication and journalism at Laval University. He has a BA and an MA from the University of Toronto, studied at the Sorbonne, at the London School of Economics. He received a Nieman fellowship scholarship at Harvard 1967-68 and he is a former reporter for the Globe and Mail and the Montreal Star.

I think tonight, Mr. Sloan, it is your intention to proceed with a statement following which the Senators will be free to question you on the things that you say, and with your forbearance on the things that you don't say. Is that agreeable to you?

Mr. Tom Sloan: Yes. First of all I would like to stress, or I should mention that I did write a brief of approximately 11 pages which I presume perhaps some people have read.

The Chairman: My only reason for not mentioning the brief we have received is that I don't know whether it has been circulated to the Senators.

The Senators have a copy of the brief but frankly they have been inundated with materials and I can't guarantee that everyone has read it. I have read it myself and I thought it was excellent.

Mr. Sloan: Well, I have no intention of trying to make a formal statement but if I may just mention a few things which are referred to in the brief and perhaps a few that aren't during the five or ten minutes. When I say I am not making a formal statement, I don't really feel in the place to do so because I am here really representing myself. I am here as an ex-newspaperman, somebody who is still obviously an extremely interested observer of the media in Canada, but I am not a statistician and I am not a professional research person.

What I have to say in the brief, and what I have to say here are simply a few thoughts that come into my mind.

I was going to suggest that you ask for example, members of the Ottawa Press Gallery to put some of their thoughts before you but I understand this has to some extent, at least, already been done.

The Chairman: I have a note which I have been asked to give you.

[Translation]

Mr. Tom Sloan: First of all I apologize to the French speaking senators for not having prepared my brief in French. I simply did not have time to do it. Of course, I was told that an interpreter would be here, and if anyone wishes to ask questions in French, he is free to do so.

[English]

What I would like to say to begin with is that what I am sometimes afraid of doing and what I hope I haven't done in the brief, and I don't want to do now, is to make a statement of the obvious. Sometimes when you live in a field for quite a long time you can do one of two opposite things. You can either say something which you think is terribly profound and then you realize that everybody knows everything about it anyway, and everyone has their own ideas about it, or you can pass over something very quickly which you just assume and you discover that, of course the people who aren't in the field not only don't assume it but don't really know what you are talking about. I hope I don't do

that but perhaps I shall and if I do I gather that questions in the discussion afterwards will straighten that out.

Generally, I am going over a little of what I had to say in the brief here, but it's in different words. Always I think in the mass media in any society you have to distinguish, you have to bring together to a certain extent a social and an individual role. They are individual in the sense that you or I sitting there in front of our radio, or sitting there in front of our television, or reading a newspaper, we are doing something as an individual or perhaps as a small group in a family. We are being entertained, we are being informed as an individual, but on the other side we are also there, we are also being informed or entertained as the case may be, as a member of a social unit.

Whether this social unit is as a member of humanity, a Canadian, or Quebecker, or a person who lives in a certain suburb, or anything else, nevertheless we do have these two roles, both of which I think have to be considered.

Probably tonight, I am concerned as you are, primarily with the social role. The individual role unless you are dealing with the Nielsen ratings or something of this type is not really something perhaps which interests us. We are dealing in terms of the Canadian community, in terms of this country, and in terms of the various societies and groups that make it up. One thing I would like to stress right at the beginning—I think in Canada especially, the social role of the mass media is absolutely vital. Much more vital than in many other places. There are obvious reasons: because of our cultural differences, because of our regionalizations and because—excuse me for saying this while I am in Ottawa—but there is no geographical centre, no physical material centre in Canada if you like, around which a feeling of unity can be crystalized.

We are just too disparate, just too far apart in so many ways and this is where I think the media should be doing today what the railroads were said to have done in the 19th Century; that is bring the country together. They are the system of transportation and communications if you like that can bring some sort of a sentiment of unity to Canada, to any country that is this large and this dispersed. Of course, we are speaking about Canada as it is right now.

Now, speaking specifically for example, as to the question of entertainment over our mass media. Here, I could be talking about newspapers—there isn't a great deal to say there except that we do have a certain amount of Canadian content. We probably have more Canadian content in one sense—I will come back to this—in newspapers than any other medium. When we come to television, of course, we have an entirely different situation. We realize, and it has been brought home to us, and it is obvious that a good deal of what comes to us over television in the guise of entertainment of course, comes from elsewhere. By the way, I am speaking of entertainment because I believe entertainment is important in the broadest cultural sense. It is in being entertained even while we most think we are individuals that we are, in a sense, without realizing it subconsciously most also perhaps a member of the community. On this basis I think it is fair to say—I am not certain I like the phrase Canadian content as such but I do think nevertheless that it is something we could be concerned with.

For example, I live in a part of the country where on many Sundays during the fall we can tune in our publicly owned network and we can have our choice of six American football games. Perhaps it is because I am a Canadian football fan but I feel I am speaking here strictly of entertainment and I think that it is rather too bad that at least on this specific small example that certain parts of the country are being forced to watch a sport from elsewhere and not being allowed to watch their own, which quite often happens. To put it more positively, I could say the same thing about certain programmes that do come over the publicly owned network—and I mention that because I think one of its basic aims is supposed to be Canadian unity—I wonder why we do have to be inflicted really to a very great extent with some rather minor situation comedies and I am thinking of one in particular—I don't know whether I need mention the name or not...

The Chairman: Certainly.

Mr. Sloan: The Beverly Hill Billies which I find might be interesting for somebody maybe once a week but do we really have to have it six nights a week at the beginning of the evening just between children and adults time?

More positively, what can we do? Well, I think the main challenge—it isn't the main challenge obviously but one of the main chal-

allenges, is for us to get across to each other what—to use that word—biculturalism can mean in this country. This is difficult. I have seen some supposedly bicultural, bilingual programmes which have made me rather sick because they have been mechanically contrived. Somebody has put two words in French and then two words in English, or perhaps they have forgotten to use any words at all. This is difficult, extremely difficult but it's one of the things. It's one of the things that specifically in the mass media, and speaking of television it's one of the things that we should be trying to do and it costs money to do, and it is going to take imagination. I have seen some evidence of some effort, but not nearly enough.

There is another thing as well. We pride ourselves sometimes or call ourselves sometimes the Canadian mosaic. Well, is it really essential for us to have—I am not a statistician but I will take a guess—95% of our foreign programming all coming from the one country? Couldn't we perhaps—and I am speaking here of the English networks—put a little more emphasis on a plurality of sources? We say we want to be Canadians, we say we want to be open to the world too, but let's be open to the world and not just one part of it. I am not trying to be ultra chauvinist here I can assure you, and I do not believe in any way that we will ever or should ever get away from a situation in which American programming will be an extremely important part of our culture. After all we are part of North America and they are a lot bigger than we are.

Now to get on to information. The problem with information—here again, one of our basic issues, or one of our basic problems is news sources. Too often, we see the world through the eyes of others. I am thinking here specifically in terms of foreign news and I am not thinking of Canadian news because here I think that the publicly owned networks and a certain number of other private stations, for example, do a great deal to let us know what is happening on the Canadian scene.

In terms of foreign news, and I am not blaming anybody here, but it is a fact nevertheless—First of all let us say that there are a number of newspapers and again television stations especially connected with the CBC, who do have their own people out covering stories in the world, seeing the world if you like through Canadian eyes, and trying to explain to us in terms of our own interest and

in terms of our own psychology what they do see. They are still being rather swamped and they are being swamped due to the fact that inevitably the Canadian Press news agency is an agent if you like, or a subsidiary in terms of world news of the American agency, the Associated Press.

Now, that is what is happening on one side. On the other side, Quebec, you have the French language newspapers emphasizing in their news—they say Canadian Press is of course doing this—The agency France Press news. I saw figures the other day which would suggest that in most of the major newspapers over half of the foreign news comes in through agency France Press. Whereas, the English language newspapers have nothing. They find most of it either through UPI or Associated Press or, of course, Reuters. Well, this tends to increase, if you like, our two solitudes. I make one suggestion in the brief and that is that we, the people, consider it. It may be impossible but is there no way whatsoever—it is expensive, I know, but is there no way whatsoever in which you could consider the possibility at least of having some sort of indirect or direct—I don't care, government subsidy of the Canadian Press in its foreign operations? It is quite obvious that it would be too expensive for the small numbers of papers that we have, the smaller number of papers that would be in a financially viable situation to do it otherwise.

This raises problems of course and I realize that but nevertheless I believe something has to be done if we are going to again, have some idea of what is happening in the world. Again, this is through our own eyes.

From there, I go on to the question of Canadian unity. It is one of the things that we should be concerned with and quite obviously, it isn't the only value but it's one of them and we should give some priority to it. The question is how best it should be done and I would suggest that one way we should not be doing it is by harping on it all the time. I am talking about the media here again. I am talking about television, radio and newspapers. If we simply keep talking about it as a slogan I think that we accomplish very little. We can retreat into our own little ideas as to what Canadian unity is or what it means. Canadian unity means this or it means that. It means biculturalism or it means another kind of biculturalism perhaps in the West. It could mean freight rates, or any number of things. What we should be doing is emphasizing, I think, objective information. When I use the

word objectivity—I would like to come back to this later during the discussion period—I don't believe in absolute objectivity in the press because I believe it is impossible. I think if it were possible it would be too bad because absolute objectivity to me is simply machine-like reiterating of what somebody else has said. A good newspaperman, at least as far as I am concerned, is somebody who uses his own experience, his own background and his own intellectual honesty and integrity and tries to interpret as best he can what is happening.

One problem in harping on abstract Canadian unity is that sometimes in certain parts of the country, we all know, there are prejudices, local prejudices in various parts of the country. Well, there are sometimes newspapers especially, and radio and television stations who not only reflect these prejudices but broadcast them even louder and therefore help to increase them in a certain area. They can do this always with the slogan, or in the name of certain abstract national unity but I think one has to go far beyond this. I think what we should be doing is emphasizing what is happening in Canada even if some of it isn't good. Not all of it is bad either, of course, but I believe we have to stress this.

In Quebec, the question of the press is especially important; I think, maybe it is because I am there but nevertheless it is an important problem.

The English language press, especially I believe in Quebec, have a responsibility and they have to do a great deal of interpretation. It is in a beautiful place to interpret English and French to each other in Quebec because there are a large number of English speaking people in Quebec who read the English language press and they interpret what they see in Quebec from up close to the rest of Canada and I think this is about it.

Beyond biculturalism there is another problem, the problem of the Government role and that of the media as well, but I am thinking specifically of Government. I am thinking more specifically of something as down to earth as the Post Office. I have seen and I have heard what has been happening in Quebec, to Quebec newspapers, and I didn't even have to listen to Mr. Ryan last evening because this has been known for quite a long time, and I think it is probably happening all over the country, that any effort to make any system of communication, especially in a country like Canada—and I would stress

this—to make it pay its own way is in the long run self-defeating because we depend—we live by communication in this country. There are very few other people in the world who do this—we live by it and if the Post Office, for example, were to have to pay its own way and all other systems as well, transportation and communications should too. If they do, well, I think that is about the end for us.

In other words, my basic principle is that communications offer the main potential resource for the preservation of Canada and we have to pay the price. We can't avoid paying the price if we decide we want to remain a country. I don't know whether you would like me to go on to the generalities of education etcetera now..

The Chairman: Well, I think we would be interested in hearing from you if you would like to carry on and talk about it.

Mr. Sloan: Fine, thank you. My experience in the field goes back just approximately a year and a half and that's all really, and that is when the Laval University courses started.

I will explain just a small bit of its philosophy. We say that there are two types of education, practical education in journalism, and communications. One is practical and has been done in a considerable number of places both in Canada and in the United States—the practical—the effort to achieve a practical training of journalists within an educational framework; and the second is theoretical. That is an attempt to make the students understand the problems of communications, the problems of the mass media, the challenges that are facing them, the shortcomings and an analysis of what they are doing etcetera. Well, Laval has opted so far at least for the latter idea. We have a feeling that practical training can be done much more quickly in either a television studio or a newspaper office than it can be certainly at university level, and not only that but it might happen that you may be training people to do the wrong things in any case.

Practice in the mass media is changing so rapidly and it varies so widely also from enterprise to enterprise and from group to group that really you might be training somebody to do something that they will have to unlearn—let me put it that way—when they get out. We may be wrong in this but this is our idea now and we will see what happens in the next few years.

One question that has been raised about journalism education quite often is whether any formal education is necessary. I find it very difficult to answer this. I find it difficult because some of the best journalists that we have or we have had have not had any formal education. Some of the people who have had formal education have not been particularly good journalists. Nevertheless I would weigh down just very slightly on the one side in saying that we are now coming into an area of more and more specialization in journalism as in other fields. A good general reporter is very important but what is becoming more and more important is a good labour reporter, a good economics reporter, a good financial reporter and so on. While it is possible to get this in many other ways than with formal education, nevertheless I think for the majority of us it is simpler to get some idea as to what we will be able to say about our specialization by taking a few years off and going to university.

One can say, for instance, that all roads lead to journalism but nevertheless a formal education is probably one of the better ones. Now, this is not to say however that holding a degree is or should be a meal ticket. I think, on the contrary, that journalism has to be kept wide open. It cannot be a profession in the sense that law and medicine are professions. I don't believe it can ever be that because we are dealing with too many varieties of life. Journalism has to cover just too much for us to say "All right, this is the road by which you become a journalist." I don't think this is possible.

Another thing is that journalism education, it has sometimes been said, is only for journalists but I think it's also for people who just simply might want to be a good newspaper reader. Somebody who wants to know his world a little better and somebody who wants to know what communication is doing for us. Communication isn't just something that is now on the fringes of our lives but it is inundating us all the time. I think a study of the theory of communication could be just as good for political scientists for example, as a study of political science would be for a journalist.

I haven't mentioned the monopolies, the problems of concentration of the press because I think you are going to hear a great deal about that and you are probably going to ask a great number of questions. One reason I haven't is because I am not certain where I

stand. I am not certain as to what the future does hold or should hold.

For example, in the Quebec Committee hearings at their beginning—just to give you one small example—Mr. Pierre LaPorte, who is a former journalist of long standing with *Le Devoir* in Montreal, before he entered politics, said in his opinion that as far as he could see now with the present trend towards concentration of the press, there was more real freedom for the individual journalist than there was in his time, when newspapers were separate individual entities.

Well, I just don't know. For the time being, I think it is a moot question. I think that we can see situations in which there are extremely good newspapers and a position in which they form part of an empire if you like but there are extremely bad ones that are independent; so that is question that as far as I am concerned I will leave open.

Basically I would say that—I guess this has been said many many times before, and I guess it won't hurt to repeat it—that freedom of the press is simply the other side of the right of the public for information. Without that right it means nothing. Any abstract freedom—if somebody says I am a newspaper proprietor therefore I have freedom to do and say what I want—this to me is strictly abstract and it has no real meaning in our world today. I don't think it should.

Really, that is about all I wish to say at this time.

Senator Hays: Do you mind repeating that again, Mr. Sloan?

Mr. Sloan: Yes, certainly. I do not believe in abstract freedom of the press taken apart from responsibility. Responsibility on the one hand and the right of the citizen to know on the other. There has been a time when freedom of the press was considered simply as the right of people who owned newspapers, or worked for newspapers, to be immune to Government interference. There was a time when I guess this was valid—a couple of centuries ago but today, I think that abstract freedom taken apart from responsibility, taken apart from the right of the citizen to the information that he has to have to be able to pick up or make up his mind about what he is going to do in his own country—I think this is quite a meaningless. Now, that was the point I was making.

The Chairman: Fine, thank you Mr. Sloan. That was an excellent opening statement and

with your forbearance I will turn to the Senators and let them ask you questions. Senator Sparrow?

Senator Sparrow: First of all, Mr. Sloan, your shorter presentation and your presentation tonight was very good, and I was particularly impressed with your document on the situation in the press in Quebec. I hope there are other Senators here who may be more familiar with the local situation as such; that type of a study would have been valuable to us from all the provinces but it was certainly informative and I wish I was more familiar with the Quebec press.

In your brief as presented tonight on page 3, number 9, I will read it:

The resources of television must be used to permit Canadians to appreciate their own dual heritage. Development of the best methods will take patience, imagination and money, and success is not automatically assured but the effort must be made.

I reread that several times and I wonder if you might elaborate on how this could be accomplished?

Mr. Sloan: That is why I said it's going to take a great deal of imagination and a great deal of patience. Which one were you reading?

Senator Sparrow: Page 3, number 9 is the paragraph.

Mr. Sloan: I have to answer with the statement that it is going to take further study. First of all, it is going to take the will to do it. It is going to take the will to do it on the part of the people who are in charge of the media. Somebody is going to have to say at some time "Well, this is one of our essential priorities. We are going to have to find a way to present the facts of biculturalism and to present—not the facts, I mean something stronger than that—to present the realities of biculturalism." This will be from each group to the other and it is going to take quite a while to do it. For example, I wonder—if I were to ask tonight how many Senators who are not from Quebec or are not from French Canada in general know the names of more than one of the Quebec chansonniers, let us say, folk singers. I am taking a chance here but I have a feeling from having spoken to other groups that there wouldn't be very many.

The Chairman: Well, the only one I would bet on would be Senator McElman. He might know.

Senator McElman: Not really Mr. Chairman. There is only one subject that I am an authority on.

The Chairman: I believe you have proved your point.

Mr. Sloan: Well, I didn't know it.

Senator Macdonald: Well, does that mean anything though?

Mr. Sloan: Well, I think what it means is this—yes, I think it does.

Senator Macdonald: Well, you take for instance—I don't know the name of the English ones.

Mr. Sloan: It may be because we haven't got as many. There are half a dozen anyway, first rate people singing and writing their own songs and singing them in Quebec. The top are Gilles Vigneault, but there are others as well who are household words to most Quebecers and deservedly so. These are not people who are simply there and simply made a name because Quebec happens to be a small community. That, of course, I cannot prove. This is a question of taste but the fact that they have not been presented in any comprehensive way to the rest of Canada even though it is only minorities that are going to listen to them—I grant you that—the same way that it is the minority that listens to, or watches public affairs programming but nevertheless it is a minority that counts and that would be willing perhaps to listen to them—to listen to these people or try to understand what it is—this other culture.

Of course, the same thing goes on the other side.

The Chairman: If I might just interrupt you on this point. Aren't some of these people presented on the CBC on the English network?

Mr. Sloan: I see Pauline Julien doing a few political discussions. I have seen—I wouldn't say very frequently but there is something else here.

The Chairman: I didn't mean to interrupt you.

Mr. Sloan: No, you brought up a good point. There is something else here though and that is that they may be brought up more

reasonably and put over more reasonably but there doesn't seem to be any general pattern, there doesn't seem to be any general aim if you like on the part of the media to do this. They might do it and they might say "Oh wouldn't it be a grand idea to have Gilles Vigneault on for half an hour." Yes, it might be but the pattern hasn't been established and this is something I think that has to be established in a country that calls itself or thinks of itself as bicultural. I haven't got an answer for that really—it's just a question.

Senator Prowse: I presume what you are saying is, never mind whether I know who can sing in French or English or anything else, but what you are saying to us I gather is that the average young Canadian today, who is listening to singers and radio performers could probably tell you all of the American bands and things but they haven't got a clue as to any band that came out of Quebec. Is this what you are saying?

Mr. Sloan: Or out of the rest of Canada for that matter. I think this is essentially what I was getting at. Of course, this is a problem because biculturalism obviously has two problems but it is a challenge. I think if young English Canadians got to know some of these people, they would get to like them. I am talking about the entertainers.

Senator Prowse: Well, they got to know the Beatles because they were a success in the United States and not because they were a success in England.

Mr. Sloan: Well, that is a general Canadian hang-up isn't it?

The Chairman: Well, I think that is also incorrect. We got to know the Beatles before they came to the United States, Senator Prowse.

Mr. Sloan: I don't really know.

Senator Prowse: I don't think we really wanted to know them but they did come to us through our American neighbours.

The Chairman: Well, I would say that they were popular here when they were still in Britain.

Senator McElman: What I think should be more worrisome to us in the current context perhaps is that when some of these outstanding young singers and interpreters of the French Canadian culture make their appearance, let us say on some of the variety pro-

grammes—The guest appearances—is the bloody damn patronizing air with which they are treated. Now, the people who have them on I am sure have no intention of coming through this way but to a New Brunswicker with some background with the problems similar to those of Quebec, I have on so many occasions been offended, as I am sure the people of Quebec have been offended, by the lead in the variety programme almost saying "Hey look fellows I have a French Canadian on my programme." Does this strike you in this way or am I being overly conscious of this?

Mr. Sloan: Well, I guess it has struck me on occasions but there is something more that has struck me a well. I have seen a couple of so called bilingual programmes and they were billed as bilingual programmes, and they were even broadcast over the English and French networks—I am talking about television programmes—this was perhaps three years ago—where the bilingualism consisted of the lead in the variety programme making a few bad attempts, laughing attempts to speak French, having a couple of signs perhaps in French and maybe one or two songs and simply switching back to English but without any real attempt at what I would call—this wasn't even good mechanical bilingualism. That to me was patronizing as well.

Senator McElman: Well intentioned but dreadfully damaging?

Mr. Sloan: Yes, that's it. I would say so but this is the kind of bilingualism—well, I haven't seen too many of these lately but I haven't seen very much of anything lately. We have a few programmes such as Chansonnettes which is once a week I guess at various off-prime hours, presenting occasional singing groups from the Prairies through to Newfoundland—from BC through to Newfoundland—and has one in English and one in French which is mildly pleasant but it perhaps is the kind of thing that we should be looking at and putting the budget and putting some imagination into it and seeing what else could be done along that line. In its own very limited way—I don't know what it is but I know their budget certainly isn't very much—that I think is presenting something to Canadians. Yet, I don't know how many people watch it.

The Chairman: Why hasn't this been done?

Mr. Sloan: I don't know why it hasn't been done. That would be the question I would

hope you would be putting to the people. I am looking here really as a spectator if you like.

The Chairman: Why do you think it hasn't been done? The point I am driving at is surely there is a will to do these things.

Mr. Sloan: Well, there is one thing; perhaps this goes beyond biculturalism and bilingualism. It is the tale of two cities if you like. I have been told—let me put it this way—I have never worked in fulltime television or radio, but I have been informed on a number of occasions that in the publicly owned networks—in the CBC—there is a feeling, or at least there has been in Toronto, that the network shows, all the ones that are worth anything whatsoever, originate in Toronto. Anything that originates anywhere else has either got to be a local show or very occasionally be a low budget show of some other kind and this is, or has been specifically the case between Toronto and Montreal. Now, I admit here immediately that I am going to a certain extent on hearsay evidence. No, I can give you one example. I am in Quebec City, living in Quebec City. The Montreal English language network a few years ago put out a very serious documentary on Maurice Duplessis. This was a documentary, I personally think, that was one that could have been seen or should have been seen at least, or should have been available to people across the country. Not only was it not available to them but it wasn't available to us in Quebec City because in Quebec City the local affiliate of the CBC, which was a private station—I phoned them to find out why it wasn't coming over, and they said "Well, this comes from Montreal. This isn't a CBC programme really and Toronto certainly hasn't asked us to take it, therefore we are not doing it." This is just a very small example if you like, but there are certain problems along this line.

The Chairman: How long ago was that?

Mr. Sloan: Well, this specific instance was—I think it was in 1966.

The Chairman: That recently?

Mr. Sloan: Oh yes. This would be something that I would suggest that the Committee might look into; that is to find out how many public affairs shows produced in Montreal are not presented on the networks of the CBC. I think there are many but I might be wrong.

The Chairman: Senator Sparrow, you started this line of questioning. Do you wish to pursue it?

Senator Sparrow: Yes, Mr. Chairman. With regard to your brief again on page 8, number 23, pertaining to subsidies as such, or assistance or aid. If you can give it to communications and transportation and others why not to the media? We have heard, in presentations and briefs, concern about the increase in postal rates for one thing as it affects periodicals and newspapers and magazines, and so on. Should there be a free distribution of newspapers in Canada and periodicals in Canada? Is this what you are getting at in this particular case, and the reason I ask that again is that the CBC is subsidized very heavily and the newspapers, of course have nothing. Again, I am asking this in the context if they wish to remain independent although they are highly critical of the increase in rates.

Mr. Sloan: Well, I really haven't thought of free rates. If they were possible, I certainly wouldn't be opposed to them. I certainly think they should be minimum because as has been so often said in terms of all sorts of communication and transport, the natural lines of communication tend to run north and south even in terms of newspapers as well.

Senator Prowse: Not between Quebec and New York?

Mr. Sloan: Well, not so much in Quebec specifically. There it is simply a question of sheer finance. I mean some newspapers have just gone to the wall, especially weekly newspapers. But I am thinking more generally here that we depend so much upon this line of transport and communication across the country no matter what areas. Whether it is Air Canada or railways or our postal service. I haven't thought about it in terms of it being absolutely free, no, but I certainly think that any attempt to make any system of communications here to pay its own way, I think it's doomed. I think it is bad. I think they have to be subsidized.

Senor MacDonald: May I make a comment on that point. Don't you think if you are correct that instead of a lower postal rate there should be a subsidy?

Mr. Sloan: To whom?

Senator Macdonald: To the people who are—the railroads or the...

Senator Prowse: The carriers?

Senator Macdonald: The carrier or someone. In other words people would know "This

is a public service and we are paying so much for it," rather than indirectly for a lower postal rate. For example, the CNR—they come to Parliament each year and we make up the deficit and the people know that we are doing this. Wouldn't that be a better system rather than trying to give them a lower postal rate?

Mr. Sloan: Well, Senator, I think we could also say that a lower postal rate—I am thinking in terms of something just as simple, if you like, as letters. I do mention in here some recent studies in political science and I don't mention the name—but his name is Karl F. Deutsch who is an American political scientist and it is on the basis of his studies that I make the claim, if you like, that it is the cross-flow of communications of all sorts that distinguishes a community, whether it be a national community or a local community. I don't think that anything perhaps in terms of communication should be forced to pay its own way in Canada unless it is making some money some other way.

Senator Macdonald: Well, I am not saying that it should pay its own way...

Mr. Sloan: It should be subsidized.

Senator Macdonald: I would think it would be a better policy to have a direct subsidy rather than an indirect subsidy.

Mr. Sloan: Who would you make it to, if I may ask, in the case of newspapers?

Senator Macdonald: To the publishers.

The Chairman: To the publisher?

Senator Macdonald: Yes, to the people who put them out. Whoever has to pay the shot now.

Mr. Sloan: Well, first of all you wouldn't guarantee anything?

The Chairman: Well, that is the suggestion that Mr. Eric Kierans himself has made, I think in the Senate Committee on the Post Office Bill. Didn't he say if we are going to subsidize an industry, let's make it in the form of a subsidy to the publisher? I am not sure that he was making that as a serious suggestion but he did say it and Senator Macdonald is just saying it again.

Senator Smith: This thing should be worked out some day. It would seem to me that you would immediately get into a situation and there are quite a number of them in

this country where the publishers are known from the records even to be doing pretty well. If they are subsidized and their mail rates go down, or their distribution rates are lowered it only adds to their profits. Now, it is all right to follow up and say but the Income Tax Act will take a poke at them but we don't know just how effective that would be.

The Chairman: I take your point but the effect of the postal rates on *Le Devoir* as indicated by Mr. Ryan last night is simply devastating. I am sure that Senator MacDonald is not even advancing the idea but he was asking you about it.

Mr. Sloan: Well, I am not sure. There would be the problem of control in the sense of how you are going to make sure its subsidy is used in this way. You could do it but then that would lead to more complications and more bureaucracy I am afraid. I have a feeling that a subsidized postal rate as such would be simpler and more efficient.

Now, mind you, this other possibility certainly might be worthy of consideration I don't doubt it but I am just saying that I have a feeling that the other would be simpler.

Senator Hays: Isn't the lack of service more damaging than the cost of postage?

Mr. Sloan: It certainly is.

Senator Hays: You know really the additional cost when you look at a magazine over a year is just a matter of a few bottles of beer, but the lack of service is the damaging one.

Mr. Sloan: I think they both go together. I know in the case of *Le Devoir* and *L'Action* in the Province of Quebec—I am not here to speak for *L'Action*, but I know that a newspaper such as this which has a large postal readership—large mail readership if you like—is automatically going to be hurt very much by the raise because after all the raise is more than just a few percentage points. However, on the question of service I agree. If you mail a paper on Friday and the Friday paper doesn't get to you until Monday or Tuesday or maybe even later sometimes, then of course I fully agree. I think this is another aspect. The reason that the Saturday mail was curtailed was for financial reasons and this simply is another aspect of the whole problem pointing up the fact that we can't afford to do it, not as a country.

Senator Hays: But the direct subsidy as Senator MacDonald suggests to the publisher

is much better. I saw some figures, I don't know how accurate these figures are, but back in 1965 we were subsidizing in so far as postage rates were concerned \$7,000 for everybody connected with the newspaper business. This was pretty substantial. I think at that time the deficit was something like 50 million dollars. It did increase to 85 million.

Mr. Sloan: Yes, but after all it is helping the people in the newspaper business. What I am thinking of is in terms of the public, the public who in one way or another depend on the information they are getting from newspapers. Even if it was 85 million it would be an average of \$4 each presumably for every Canadian. We can say it's worth it or isn't worth it but I am saying that the principle is that communications here have to be subsidized; that is my basic point.

Senator Hays: Supposing you included it in the guaranteed income, would they buy it?

Mr. Sloan: I am sorry, you lost me.

The Chairman: You lost me as well.

Senator Hays: Well, taking Newfoundland the other day we learned that 20% of the householders in St. John's were not receiving a daily newspaper. I don't think it was cost at all. They just weren't interested or they were using some other means.

Mr. Sloan: Well, we can't force people to buy newspapers. Nevertheless, there are a lot of Canadians who do and I think that is the point we have to look at.

The Chairman: Well, how do you relate that to the guaranteed annual income if you don't mind my asking, Senator Hays?

Senator Hays: Well, there are certain people regardless of cost who just don't buy newspapers. They just don't buy magazines because they watch television today. They are not interested in this sort of thing. Most of the people that do I think are quite able and capable of paying providing that the services are good. I think that the service is the most damaging aspect.

Mr. Sloan: Well, even if they would be capable of paying, the problem here for example, would all the readers of *Le Devoir* be capable of paying the rate—perhaps they would, perhaps they would be capable of paying 25 or 30 cents a day for *Le Devoir*...

The Chairman: I must say at this point that Mr. Ryan last night gave us or gave the

committee a file full of cancellations which I did have a chance to look through last night and I must say in fairness that poor service was the reason advanced by almost all.

Mr. Sloan: Well, I don't think the cost—I don't think the actual price of *Le Devoir* has gone up a great deal to the people who are receiving it through the mail.

Senator Prowse: Well, you will run into a psychological problem with that interpretation as well because people don't like to say that they can't afford anything.

The Chairman: Well, I think perhaps we have spoken at length about the postal increase. I don't want to terminate questions on it but are there any other questions that you want to get on to? Senator Sparrow?

Senator Sparrow: Well, in talking with daily newspapers and so on, and regarding the circulation they have, daily newspapers primarily cover urban areas and the cities as such rather than the small towns and rural areas. In our province in fact—and we didn't get into a discussion on this today—the cost of a daily newspaper in a rural area is either double or very close to double the subscription costs for the person who lives in the city. Now, this has to be a factor of economics in the buying of a newspaper. I subscribe to the *Leader Post* and it is delivered to me. My subscription cost is \$40.00 per year. Now, that is a fairly costly item when you compare it to the daily newspaper that could be delivered in Saskatoon or something like that plus the problems of course of the service that we were referring to. It seems to me that there is an injustice when the person in the rural community must pay a higher cost for his newspaper than the person living in the city when he is just as entitled to a daily newspaper as anyone else is. Would you agree with that?

Mr. Sloan: The point is this. If you are living further away from larger built up areas you are going to be affected. There is no doubt about it. However, I would say—again in principle—that nevertheless there would be a just argument there, yes, for further subsidization of some sort of this sort of communication. If we want to keep people informed as we should and not only by television, it is probably inevitable that it is going to cost a little higher.

The Chairman: May I ask you a question myself. This has to do with national unity. How would you assess the coverage of

Quebec and Quebec problems in the press in English Canada and I think an auxiliary question, how would you assess the coverage by the newspapers in Quebec on what is happening in the rest of Canada?

Mr. Sloan: First of all the coverage of the Quebec situation in English Canada is pretty good for one reason and that is—I think it is anyway—that the major papers individually, and I am thinking here of the Toronto and Montreal papers, the big Metropolitan papers have their own correspondents full time. Now, I am thinking in terms of politics but also for example the Globe and Mail have people in Montreal to cover the provincial angle, and the Canadian Press is pretty well served in Quebec—I am thinking here again for example of the Quebec Press Gallery where the Canadian Press has direct services in both English and French and also the chains of newspapers—the big chains are either directly or indirectly represented in that Gallery. So, politically, I think it's pretty good.

The problems sometimes come when you get to editorial comment in certain areas where no matter what their correspondents are writing perhaps it isn't always understood. However, quantitatively and qualitatively from the standpoint from the people who are there I would say it is satisfactory, it is adequate.

Going in the other direction it isn't. There's no French language newspaper in Quebec that has any correspondents except for Ottawa outside of Quebec. Of course, it isn't only English Canada that is boycotted there in a sense. The only correspondents for French language newspapers in Quebec outside of the country are in Paris which is reasonably natural I guess. There are problems of course. Well, a financial problem because the press in Quebec—I don't want to go into the question of finances—the financial question of Le Soleil and the other ones—but it's just say that they are not as well represented as they should be. But the situation is perhaps worse in terms of the Canadian Press service because insofar as I know, and I want to be corrected if this is wrong, I checked it out and I don't think I am, outside of Ottawa there is no direct French language service from any Canadian city with the possible exception of Moncton to the Quebec members of the Canadian Press in Quebec. In other words, everything that comes into Quebec from outside is filtered.

First of all it is seen through English Canadian eyes and it's translated more or less well and presented to the Quebec newspaper reading public. This I think is extremely unfortunate because without saying—and I do not say—that on the average English language reporter is better than the French language reporter, or vice versa, but what I do say, and you see this if you see Canadian Press dispatches written either from Ottawa or from Quebec in both languages, they have a different way of looking at things. They have a different way of interpreting a story and they have a different way of appealing to their own publics and readerships in either case. I think it is very unfortunate—economically it may be inevitable for the time being but it is unfortunate—that there is no regular French language coverage of events in English Canada.

The Chairman: May I take it from your comments then—Mr. Ryan last night for example, differed with you in part. He felt the coverage of Quebec in English Canada—he specifically said that the Toronto papers did a good job and he thought that the rest of the papers did a bad job. I was wondering if you presumably differ with that?

Mr. Sloan: First of all it's only really the Toronto papers that are directly represented. Southams are represented indirectly through a reporter who works for the Gazette and I presume, and I can only presume that his stories are going to the other Southam papers across the country. The Free Press publications are again indirectly represented by the Globe and Mail reporter in Quebec and I presume again that his coverage is going throughout the country to those papers. To the extent that it isn't of course, it is each newspaper's decision to decide what it wants to publish and what it doesn't. When you talk about the Toronto press I think you really in general are talking about at least the major chains. Of course, on behalf of the Thomson papers there is nobody. There is a Thomson newspaper in Quebec City but it has no real representation at the Press Gallery and they take their information from the Canadian Press.

I am not quite certain to what Mr. Ryan was referring. For example, I can give you this, and that is that the Gazette in Quebec has had until recently some difficulties in finding a permanent reporter and during this period I am sure that a number of Canadian newspapers went without. Now that they have somebody I presume again that this cov-

erage will pick up, but essentially I certainly know that the Toronto newspapers are covered and well covered in Quebec.

The Chairman: May I ask you something on what you said earlier, and if I can quote you—you said we see the world through non-Canadian eyes. The Canadian Press has been here this week and I believe they were here yesterday morning and we put that point substantially to them and the answer was that this really doesn't matter because what we receive in terms of CP coverage from outside of the country is accurate, factual, objective and I guess the contention there was that there isn't the distinctly Canadian view of this information. I wonder if you would comment on that?

Mr. Sloan: Well, when we start talking about the accuracy of the wire agencies, yes, I am convinced that neither in UPI or Associated Press, or Agence France Presse is there any willingness or any deliberate idea of distorting the news but nevertheless, and we can see I think in Vietnam in one case, and Algeria in the other, a pretty good example; the way that Agence France Presse treated the Algerian question back in 1958 was quite distinct, to put it mildly, from the way in which the American services treated the Algerian question. One can say exactly the reverse today in the case of the Vietnam question. But more than that, without wanting to mislead, or without distorting the facts—and I am certainly not accusing them of this—nevertheless an Associated Press reporter anywhere in the world when he is sending back his copy to his head office in New York, he is not going to give a damn what the Canadian newspaper reader or the Canadian newspapers, or anybody else might feel about it. He is going to be appealing to the psychology of the readers he knows and of the newspapers he knows.

There may be some places for example, and I am thinking in terms of French Africa, or Commonwealth Africa, where perhaps either people in Quebec in one case, or English speaking people in Canada on the other, might have a specific interest and the Associated Press will not be giving us this. They won't be interested in it and I don't blame them. Of course, we could be getting it from Reuters and from Agence France Presse in one case and the other, I quite agree. But in all of these cases nevertheless we are still seeing it through the eyes of somebody from a different culture, with a different psychol-

ogy and who is aiming at a different readership. We can call the news accurate and we also don't need to say that everything has to be slanted Canadian—that there has to be a Canadian interest in something—but nevertheless I think somebody who is Canadian or who at least knows the Canadian newspaper media world can, all things being equal, give to Canadians a better picture as to what in effect he is seeing in other sections of the world.

The Chairman: Could you give me an example of what a Canadian interpretation of some international news event might be as opposed to something which is on the wire service at present?

Mr. Sloan: Well,...

The Chairman: Take Vietnam if you wish.

Mr. Sloan: Well, Vietnam is one case; we obviously have both AP and UPI as non-official but nevertheless as representative sources who represent a country which is at war. Well, obviously, they are going to refer to such things as the enemy, the ally and again, without distortion, because in what they have done in the case of the Song My massacre, I am sure they are trying their best to bring out the reality of the war—but nevertheless whether they are pro or con, they are bringing out this reality in a reflection of an American opinion, of an American readership.

This is another example where a Canadian reporter presumably would not be exactly the same bind. On the other hand, we can say that Agence France Presse will be giving an objective report. Well, maybe it will, but on the other hand Agence France Presse has its own historical background in the specific case of Vietnam and it is consciously or unconsciously going to be in one sense or another justifying the French attitude towards this. It may be a 'we told you so' attitude, or it may be anything else and it may lead to extremely objective reports but nevertheless—it could be a series of reports coming from and aimed at another psychology than ours.

I think also, for example, what would have been the situation if the Canadian newspapers had not had representatives in Paris during the last two or three years of the DeGaulle Government? Now, this was a pretty obvious case where Associated Press wasn't really going to be very interested except incidentally and the Agence France Presse was going to be giving us a French

view and we had to have our own people there to give us a view as to what they thought was happening in terms of not only French internal politics but of Canadian relations as well.

The Chairman: Let me be the Devil's Advocate. You have made the point that the Canadian papers were there during that period. Would you therefore justify having a Canadian correspondent in other parts of the world?

Mr. Sloan: Everywhere.

The Chairman: Well, where would you have them?

Mr. Sloan: Well,...

The Chairman: Would you have them in Israel?

Mr. Sloan: Yes. I think you have to have them in key points. We obviously are never going to be able to compete with Associated Press in terms of finances even if there were a Government subsidy.

The Chairman: How many key points, a dozen?

Mr. Sloan: Well, a baker's dozen if you like. I wouldn't attempt to name them except to say it's quite obvious—London, Paris, Moscow, Peking, and some place in South America, I don't care where because again South America is another example where there are specific problems and specific relations between the United States and South American countries, and the Associated Press man and the UPI man for example down there are going to be looking at these things on the question as to how certain events are going to affect relationships between the United States and these countries. We are interested in this but that isn't the only thing we are interested in.

At the same time we can't necessarily take it from Reuters or AFP because we are on the same continent as South America—not the same continent, excuse me, but the same hemisphere—and we do perhaps more and more have some sort of feeling that there is something in common between us and that perhaps Canadians should attempt to look at Latin America the same way as they may be looking at us.

Senator Smith: Mr. Sloan, just to clarify one point. Are you pretty well satisfied with the way CBC news is handled by the appoint-

ment of their people to Moscow, Paris, London, and they send them down into Israel and over on the Arab side, and around the world?

Mr. Sloan: I think it is pretty good.

Senator Smith: You think it is pretty good?

Mr. Sloan: Yes, I think it is pretty good. Of course, it is being done by subsidy. It is being done with the public money but I think this is something the public money should do.

Senator Smith: By the way, if I might also comment on this. It's one of the things that I hear quite often and quite generally. Why does the CBC have to spend all this money to cover subjects on which there are others there anyway and they could always buy it from Associated Press and we can't seem to see the need for viewing it through Canadian eyes. I think this point is a very important one. I am glad that you have suggested that.

Senator Hays: I was wondering if there has ever been an exchange of reporters. For example, we have New Zealand reporters here and we have Australian reporters, an exchange of reporters insofar as certain newspapers are concerned, where a reporter works 90 per cent on the news staff of Auckland and 10 per cent of his material goes to Canada and 10 per cent of the Canadian content goes to New Zealand. Has there ever been any of this?

Mr. Sloan: There has been a little bit of this, I think, let's say between some papers in Canada and perhaps Britain and there is some between Quebec right now and France. There is a group in Quebec, a Government sponsored group called L'Office Franco-Quebecois which is receiving and sending both reporters to France and from France. This is on a relatively small scale but it is being done. In the other Commonwealth countries, to the best of my knowledge, I have never heard of it. I believe we have imported quite a few and very good Australian newspaper men over here but I don't know whether we send any.

Senator Hays: Is there a possibility of being able to do this? This would eliminate the costs that you speak of. We would be more familiar with the Australian situation and they would be much more familiar with the Canadian situation.

Mr. Sloan: Yes, I think that would be an excellent idea.

Senator Hays: Let's say Australia or New Zealand or Africa or any of these countries. To take Vietnam for instance, you get an entirely different viewpoint of the war in Australia and New Zealand and you wouldn't think it was the same war as you do from the United States or from Canadian news reports, and in countries in Africa.

Mr. Sloan: Yes, I think this is a good idea. It certainly bears looking into. The cost problem would be there but let's face it, we are an expensive country. This would be something that I would think would be a very good idea.

Senator Hays: I was just wondering whether this has ever been explored?

Mr. Sloan: To my knowledge no, but I think that maybe the publishers could tell you better than I.

Senator Prowse: I am basically interested in the suggestion we had a few moments ago that it might be helpful if it were possible for papers to be carried by the post office or express or something without cost, and somebody mentioned a figure. How much do we pay a year—do you have the figure—I just can't recall it—for the CBC?

Mr. Sloan: No, I don't have the figure on that.

The Chairman: No, we have that figure on file. But we do have it here?

Senator Prowse: But it certainly is more than we have been subsidizing newspapers?

Mr. Sloan: Oh yes.

Senator Prowse: By a long shot.

Mr. Sloan: I should think so.

Senator Prowse: You are interested in...

Mr. Borden Spears: One hundred and seventy five million.

The Chairman: One hundred and seventy five million?

Mr. Spears: Yes.

Senator Prowse: Is that the deficit?

Senator Hays: No, the subsidies.

The Chairman: That is how much it costs.

Senator Prowse: We are paying 175 million to subsidize radio and television and chiefly television, and we are going to make newspa-

pers pay their way. This is what it looks like, but let's take something else. My understanding is that originally when Canadian Press was first set up there was a subsidy provided to them and then they finally gave it up because they felt that it might influence their objectivity if I might use the term. Is that correct?

Mr. Sloan: Well, for a brief period there was a demand for a subsidy, there was a subsidy I think around 1918 or 1919.

Senator Prowse: Well, whatever it was.

Mr. Sloan: During the First World War.

Senator Prowse: It was for the cost of carrying the service?

Mr. Sloan: Yes.

Senator Prowse: But it was the press themselves that gave up that particular subsidy because it was in a direct form. Now, if it is decided that it is in the interest of Canadians that there should be the widest possible dissemination and information, or access to expressions of opinion, wouldn't it be better to provide it in the form of, let's say, free transportation for the sake of illustration to which anybody could have access and the market would take care of the rest...

Mr. Sloan: Such as the telegraph companies for example?

Senator Prowse: No, what I have in mind is a subsidy to the post office. For example we do it with weeklies now. We have a 40 mile free area or something of this nature. For example we just say all right, one of the things the post office is going to do is carry any kind of a daily, or any kind of a weekly to anywhere it has to go in Canada—now, aside from the fact that there would be some problems would this serve a useful purpose as far as the exchange of information or communication between various parts of the country?

Mr. Sloan: Yes, I think it would. I don't know how much it would cost but...

The Chairman: Well, may I ask Senator Prowse and Mr. Tom Sloan—surely you would both agree that there are a great many newspapers in this country that are making a great deal of money and would you make that offer, or that kind of an offer available to them?

Senator Prowse: I was going to come to that. As a person who is interested in a news-

paper school or a school for the training of journalists, would you agree that generally today the wages available to writers in the newspaper business are probably the lowest of any graduate of any professional school?

Mr. Sloan: Well, first of all just one very small correction. Our school is not trying to train journalists.

Senator Prowse: You are providing a facility?

Mr. Sloan: Yes. It varies so tremendously. The wages for example—the difference in wages when I went into the newspaper business and what they are now, I guess they might not have tripled but they have certainly increased dramatically. There was a time when what you say was absolutely true.

Senator Prowse: I started at \$50 a month in the newspaper business.

Mr. Sloan: May I ask where?

Senator Prowse: Yes. In Edmonton in 1934.

Mr. Sloan: Well, by 1949 in Hamilton it had gone up to \$25 a week.

Senator Prowse: Well, that is not very dramatic either?

Mr. Sloan: No, but that was 1949, and I am old that in Quebec, and I was checking some figures and the Quebec Federation of Journalists estimates that in the last five years the average wage has doubled in Quebec. Now, when you talk about the average wage, you have to watch out because you can go up for some stars to \$18,000, and you can go down to some small town dailies—I am not even speaking of the weeklies here—dailies, I rather the minimum right now is around \$4,000.

Senator Prowse: Well, we had a Guild figure the other day of \$75.40 a week as a starting wage in one contract.

Mr. Sloan: Would this be in Toronto?

Senator Prowse: No.

Mr. Sloan: Would it be after one year experience or two years of experience?

Senator Prowse: No experience.

Mr. Sloan: In Toronto and Montreal generally speaking they have the one year wage and the two and the three and the four and they have a five year minimum contract and

most people who are working for a newspaper in Toronto have the equivalent of five years.

Senator Prowse: Do you know what teachers start at?

Mr. Sloan: Well, it depends where.

Senator Prowse: Well, in Ontario?

Mr. Sloan: What, grade schoolteachers?

Senator Prowse: Yes. A person that is able to go out and teach.

Mr. Sloan: No.

Senator Prowse: It would be a little more than that I think.

Mr. Sloan: Perhaps in some rural areas. I really don't know though but as far as salary goes it has improved.

Senator Prowse: Well, the point I am making is this. Would we be better served in your opinion in the type of communications we get if wages in the communications business were considerably better than they are today?

Mr. Sloan: I think not only in communications but just about any business perhaps.

Senator Prowse: It is an economic law?

Mr. Sloan: Yes. The thing is you have to remember that when you are starting off in a small newspaper, or in a chain newspaper, very often the person who is starting has no experience whether he is or is not a university graduate. He may have to do such a simple thing as learning how to type after he gets there, or he may never learn to type, but at least he will have to learn to do some of the fairly simple things that a newspaperman does. Very often after he has had a year or two's experience, at low wages admittedly, then he has a chance to move up and to improve considerably. One has to admit that there are some small newspapers who simply, I presume, can't afford to pay any more.

With weekly newspapers in Quebec the wages are pretty ridiculously low in a sense, but they are not ridiculously so from the standpoint of the publisher of the weekly newspaper. This is where people without training go to learn the craft and certainly an improvement has to go on, but to say that it is going to improve very drastically in relation to other trades or professions in the next five years I can't honestly predict.

Senator Prowse: Can you tell me what the school you are the head of does attempt to do in training people?

Mr. Sloan: It attempts to—by the way, there are available if you don't mind my mentioning it, some of our new calendars that you may wish to look at. It does attempt to initiate people to the problems of journalism, into the challenges they are going to face, into what a newspaper is doing and how it is doing it, and to what the wire services are, and it is doing this. I must stress one thing. On the basis—let's say we have 36 courses or 30 courses; 12 of these, approximately two-fifths, will be in journalism and information, and the rest will be in other faculties entirely. Our students go wherever they want pretty well in the university and take whatever courses they want. They choose their own specialization. We don't choose it for them. Each student might have a different course from the next student. There are some, of course, that are more popular than others.

First of all we do not try to teach them how to write leads and we don't try to teach them how to write news stories because we feel that if we teach them this they might have to be untaught as I mentioned earlier, and secondly they are going to learn in one or two months on the job what we would try and teach them perhaps in eight or nine months. We feel that we can be spending our time better.

Senator Prowse: In other words, what you are doing is trying to give a basic standing and the basic equipment to the insatiable curiosity of the individual?

Mr. Sloan: Yes. In a sense we are trying to do what political science does. Political science doesn't turn out politicians but it turns out some journalists. We don't turn out journalists but we turn out some who might become journalists and others will be looking at them.

Senator McElman: Last evening I started to develop a dialogue if you will with Mr. Ryan and I was awfully sorry that the time ran out so that I couldn't pursue it. It has to do, Mr. Sloan, with the situation of the Acadian people in New Brunswick. As I recall you are quite familiar with New Brunswick having spent a fair deal of time down there?

Mr. Sloan: Yes.

Senator McElman: Through a very difficult period; and I might say you did an excellent

job of interpreting what was going on to the people of Quebec and elsewhere. The population of New Brunswick is not as concentrated in one specific area as it once was but it is still largely on the northeast shore of the Madawaska and across the top of the province down to the Moncton environment, but it is moving out into the total community.

L'Évangeline with its financial history isn't a heck of a lot better today in spite of the subsidization it's received from the late General and I believe currently some assistance from the Federal authorities. It is still in desperate straits and it is not really serving the French speaking people at large in the province. Circulation certainly isn't sufficient...

Mr. Sloan: About 2,000 isn't it?

Senator McElman: Yes, and you are talking about 250,000 people which we would assume would be about 50,000 households on the average.

I asked Mr. Ryan if perhaps in this special circumstance—what I was trying to do really was to hold up to him a mirror of not the complaints but the relation of the situation of Quebec apropos of the rest of Canada, but to a lesser extent the same situation perhaps in New Brunswick and the responsibility of the media in Quebec to the people of New Brunswick of Acadian descent. The Acadians, relative to the population and the rest of Canada, are very small but relative to the population of New Brunswick very large and a very important segment of the second culture, and I asked him if he didn't feel that there was a distinct and heavy responsibility with the French language press to not only interpret to the French speaking people in Canada at large the problems of their French speaking brethren in New Brunswick but as well to make some strenuous attempts to interpret to the Acadians of New Brunswick the problems of the people in Quebec. Believe me, in the Province of New Brunswick there is a great misunderstanding of what the problems of Quebec are, and what the French speaking people face in the Province of Quebec within Canada; there is a very grave misunderstanding. The intellectual elite if you will, or whatever terminology you use, do understand it but L'Évangeline editorially and otherwise has not sufficient strength to carry this message from the elite to the masses of the Canadian people. They are getting their news of whatever calibre you might regard it from a very closely held, closely managed English speaking press and the viewpoint of that—

and I don't think I am simply expressing my own view here—the viewpoint expressed there in these matters if expressed at all is a very very narrow one.

Mr. Sloan: I don't think Mr. Ryan would have disagreed with you.

Senator McElman: No, but I wasn't able to follow it through to the full extent as I would have liked to have done. As a matter of fact I would love to have an evening with him to discuss this further. I think this would take a full evening to really probe the depths of it. Do you feel there is a great responsibility here? Do you feel it's something that is being overlooked by the people of Quebec?

Mr. Sloan: I think you know the Acadian problem much much better than I do but there is one danger that I could see, if what I understand is correct, and that is that this might not be appreciated too much by the Acadian people themselves. In other words there is, in spite of the common language, there are nevertheless what the Acadians consider are cultural differences between what they call French Canadian and Acadians. There already have been campaigns carried on in Quebec and as far as I know the Quebec Government has done something directly or indirectly through the Cultural Affairs Department to help L'Evangeline and Le Devoir has carried out campaigns in the past few years as well. These are subscription campaigns for L'Evangeline and if Le Devoir or if Quebec media as such tried to push too much the Quebec view in Acadia it might not be welcome. I am asking you as much as saying it. I don't know. I have a feeling it wouldn't be welcome.

Senator McElman: You are quite right in one sense. Mr. Ryan suggested last evening that the only salvation here was not for just a strong L'Evangeline but strong leaders from the Acadian people themselves who would through L'Evangeline develop additional leadership and additional strength in their communities quite aside from the Quebec viewpoint, but I think you missed my point. One of the other angles of it is that the Acadians do believe they are different from Quebecois except in Madawaska county in the Republic where they are Quebecois but in the rest of the province they are Acadian.

Mr. Sloan: Yes.

Senator McElman: So there is this difference and perhaps because of it or in spite of

it, I don't know why, but there is a devilish misunderstanding with I think the great majority of the Acadians of just what the legitimate ambitions of the people of Quebec are. I think perhaps the misunderstanding is almost as great, or greater—no, I shouldn't say than the Canadians of the Prairies—but pretty close.

Mr. Sloan: It is a problem.

Senator McElman: It is a devilish problem. It is one that is bothering the people of New Brunswick very very much and we hear very little about it. Like yourself, I believe in exposing things and having a dialogue and getting to the roots in order to find solutions. It's a festering sore. It is a piece of dynamite with the fuse lit.

Mr. Sloan: Perhaps it could be worked the other way as well. That is that Quebecers and the French language press in Quebec might be more interested in what is happening to the Acadians. We talk of two solitudes between English and French but in a sense perhaps there is another two solitudes as well. A good many people in Quebec Province, and certainly the Quebec nationalists don't really care about the Acadians as they think the Acadians are doomed anyway. There has been some work done by some newspapers; La Presse for example a few years ago carried out quite a lengthy evaluation of what was happening in northern New Brunswick to the Acadians but there hasn't really been a great deal done. Quebec is concerned so much about themselves now and as I say they tend to ignore the Acadians and the Acadians naturally think their own problems are completely different and I agree with you that this should be explored. I don't know how it can be done and the only thing I can see is that L'Evangeline somehow or other has to be kept, has to be maintained independently even though it does receive subsidies. It still has to be an independent voice for the Acadians. Le Devoir could never go down there, or any other paper, and preach to the Acadians.

The Chairman: I think, Mr. Sloan, we won't carry on too much longer but with your forbearance I believe there are a few more questions.

Mr. Sloan: Of course.

The Chairman: I say with your forbearance but I will say also with the forbearance of my colleagues. They have been sitting here since 10 o'clock this morning.

Senator McElman: You will recall Mr. Sloan, during the period you were in New Brunswick there had been undertaken—let's forget all political considerations here which is difficult for me to do—I think what could be fairly described as one of the most extensive reform programmes that has been seen in any part of the nation at a provincial level which restructured the whole of Government at the provincial and municipal levels. The design of this, of course, was to attempt, ill-advised or otherwise, to ensure that every citizen no matter where he might live had the same basic level of services, educational—and I stress educational, health, welfare and justice.

Now, you have to have some appreciation of the history of New Brunswick up to that point, where not by design but by lack of attention one very large part of the province had less than a reasonable standard of services particularly again in education, which has resulted in the Acadian people generally not being able to bring their economic standards up because of lack of better standards.

In the course of this programme there was one specific part of it which upset some very influential people and the media of New Brunswick with the exception of L'Évangéline (it got rather uptight on occasion as well, if you will recall) but with the exception of that went almost wholesale against this programme and it gave rise...

The Chairman: Senator McElman, I have been asked by some of the people at the back if you will please speak up.

Senator McElman: It gave rise to old feelings that many of us were thinking with delight and complacency had been buried and we found out they were still smouldering in both ethnic groups and these by the vehemence and at times viciousness of the press were blown back into bonfires.

Now, all this brings me to one point alone which comes back to my earlier question. There did develop a very strong feeling not solely with the Acadian people of New Brunswick but with many people who have tried desperately hard to get to the bottom of these problems and find solutions; there arose a very strong feeling that the press of Quebec were almost traitors in that—not that they didn't intervene but at least that they didn't try to tell the people of Quebec what was happening in New Brunswick. This brings me

back of course to my initial question to you. Is there a responsibility?

Mr. Sloan: Well, personally, as a Canadian I would say yes. Without trying to defend any—are you talking specifically about the French press in Quebec?

Senator McElman: Yes.

Mr. Sloan: I don't know what else was happening in those days. I can't remember what was happening in Quebec in those days but it was undoubtedly part of the same pre-occupation or same general pre-occupation. Unfortunately, a large proportion of Quebecers and presumably a large portion of the Quebec press just didn't feel it was important. I think they were wrong but I don't remember. It seems to me, however, one newspaper at least did send someone down and someone did do a series on that particular problem. I think it was from La Presse.

Senator McElman: Yes, that's right.

Mr. Sloan: It was probably the only newspaper that had money to do it. It certainly was unfortunate and the role played by several of the media in New Brunswick I feel was rather unfortunate. I can say this, that you do have to distinguish here again between what you might call the working reporter and the person who makes the editorial policy. I knew a great number of the working reporters in New Brunswick and I found their attitude fair, their own personal attitudes, and at least some of these stories I saw as news stories seemed again to be stories that were basically honest and basically fair.

However, when you get to the editorial page, of course, it is a completely different question and I can't honestly say to what extent or if at all their stories when they reached the newspapers had been altered. I don't know.

Senator McElman: Many complained that they were.

Mr. Sloan: Well, they would be in a position to know.

Senator McElman: Well, like yourself I have great respect for the working press there. Let me be clear. We are not talking about an election.

Mr. Sloan: No, no, I remember the period very well.

The Chairman: I would like to ask you one or two questions in closing. I would like to have your views on the underground press in Canada. Why we have one, and what is its future?

Mr. Sloan: I am not an expert in this field I am afraid.

The Chairman: Well, we would be interested in your views even though you are not an expert.

Mr. Sloan: In Quebec City we don't have one. We don't have one at least as far as I know.

The Chairman: Do you see the underground papers at all?

Mr. Sloan: Very very occasionally. I have seen them more in the United States more than I have seen them here.

The Chairman: Would you rather not comment on that?

Mr. Sloan: Well, I could comment in a couple of sentences really by saying that the underground press, first of all because of the structures of the overground press if you like, I think they are saying that the regular press is not saying it like it is and that the regular press does not represent them. I don't know whether they have ever used the phrase "Never trust an editor" but I suspect some of them have thought this. They think that they are telling it like it is for their own generation and this is the impression that I would have certainly from having a look at it. As I say I have seen it more in the United States than I have in Canada.

The Chairman: What will happen to the underground press? Will it disappear or will it grow?

Mr. Sloan: Well, I think what will happen to the underground press depends on what happens to its clientele, which is to say the students and the younger people who are reading it. What is going to happen for the next generation of youth?

The Chairman: Well, where are the next generation of students? You mean the high school kids?

Mr. Sloan: Yes—well, I would think that the high school students already are reading the underground press.

The Chairman: Well, there are underground papers already designed specifically

for high school students but you mean younger still?

Mr. Sloan: Yes. We have seen two or three different generations of students in the United States and in Canada who are having completely different problems and different ways of looking at life and the latest group has read the latest underground press. Unfortunately here I haven't studied the underground press very much. This is just a feeling I have.

The Chairman: Have you read Professor Merrill's book on the elite press?

Mr. Sloan: No.

The Chairman: Then, I won't ask you the question I was going to ask you.

Mr. Sloan: I would like to see the book.

Senator Smith: May I ask him a question, Mr. Chairman?

The Chairman: Senator Smith?

Senator Smith: Let me ask Mr. Sloan if he has read Donald Gordon's article which appeared in the Financial Post a month or so ago on the future of the communications world?

Mr. Sloan: No, I am sorry I haven't. I haven't read Mr. Gordon's article. You are giving me another reference.

Senator Smith: Yes, it is a good reference.

Mr. Sloan: What date was it?

Senator Smith: September the 27th or along in that area. I happened to get a copy of this from the library as I was interested in the subject.

Senator Sparrow: Mr. Sloan, Senator McElman referred to it but in reference to Western Canada and the statement I think was true, he didn't elaborate on it, but people in Western Canada, and I think it's true in every part of Canada, certainly don't get the information that they should of the other regions of Canada, particularly the Maritime Provinces as such, and Quebec basically. We don't seem to get it through radio or television either as such, or as much as we should in order to understand the basic problems, and for in-depth reporting I feel that newspapers probably are the best media.

We have a national transportation system, CNR, Air Canada, a national radio and a

national TV. Is there an area open for a national newspaper?

Mr. Sloan: There is a technical problem there and that is in a place like Canada which is not like England...

Senator Sparrow: As an example...

Mr. Sloan: You mean on wire service.

Senator Sparrow: Yes, with wire photos. You could have publication in each province simultaneously daily with the wire service. When the wire services come from each province, as an example, a page or two or whatever it was from each province of news and a national portion, and an international portion, and provincial, and it could be done by teletype I would think rather inexpensively or expensively of course...

Mr. Sloan: I think really, what you are suggesting is essentially a national newspaper which would be basically a series of Canadian Press dispatches from the different regions. My worry here would be, without putting blame on the Canadian Press, but it might turn out to be rather dull. It might turn out to be rather dull because of the type of news it would be printing. In other words I think an authentic newspaper has to reflect some sort of milieu. It doesn't have to reflect it right to the bitter end; it doesn't have to pander to its prejudices but it nevertheless has to have some background, some place where it's getting not only its ideas but its feelings. I think that sort of a paper would depend upon whether we could really get some sort of a national Canadian non abstract feeling, some sort of a real Canadian sentiment and in terms of our geography I just don't know. By our very nature we are a pluralist country. We could have not only biculturalism but pluralism in every sense. Each region has its own interests and its own character and I don't think we would be much without this. We could always have some sort of a publication which would bring together the facts and figures of what is happening in the various regions of the country. It won't replace the newspaper I don't think.

Senator Sparrow: I am thinking of a study being done in a province or a region that would be for the consumption of that province. It would reflect the provincial thinking of that area or the regional thinking. We would in turn get exactly that same thing in another province where now we are not getting that. We will get in press coverages for

example, the Canadian Press, a Committee may bring out a very important point but because a particular person on the Committee may be from the Maritime Provinces what is reported in the Maritime press would be what that particular person said from the Maritimes which doesn't really reflect perhaps what the Committee decided that day. This is what we are faced with continually and particularly in our region where we are not getting the sense and the feeling of the Quebec problem as an example, or the problems in the Maritimes, or the wheat problem and the poverty problems in the west, or in other areas because of this factor.

Mr. Sloan: I don't think this would be impossible but I believe it would have to be subsidized. I don't think that you are going to have enough people buying it on a mass basis to be able to make it profitable. Let us put it this way. I think it might be an excellent idea but I think you would have to realize that the cost would have to be paid. This would sort of be like the CBC in print in a sense. You would have sort of national broadcast, or national stories, then you would have local stories, but with the emphasis coming from where? You know, it is an interesting idea but the practicality of it or the financial practicality of it, certainly in terms of private media I can't see it.

Senator Prowse: In the long run isn't it true that what appears in the press or radio or TV has to be related to the interests of the receivers?

Mr. Sloan: Yes, this is quite true. This is quite true if it is going to succeed.

Senator Prowse: Whether you like it or not this is what we are faced with.

Mr. Sloan: Yes. Of course, there is another thing that is that the newspapers or all the media are in themselves a form of adult education and this could be regressive too. They can destroy peoples' tastes and help to destroy peoples' intelligence by not allowing them to use it and they can also stretch it a little bit.

Senator Prowse: They can lead a little bit or they can follow?

Mr. Sloan: Yes. The more they lead—they can't lead too far and they can't go too far away because then they won't have any influence but they can at least keep pushing and this idea of being a national newspaper or not—I believe all newspapers have this

responsibility. A good many of them don't live up to it as far as I am concerned. They pander to the prejudices.

Senator Prowse: Of the local reader?


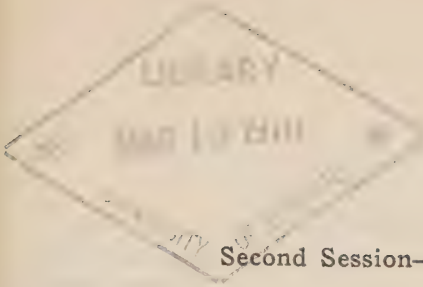
Mr. Sloan: Yes.

The Chairman: Honourable Senators, I think this might be a point at which we could conclude this session unless there are any other compelling questions which must be asked.

Before we adjourn, Senators, I think on all of our behalf I would thank Professor Sloan

for coming to the Committee. We have found the session as interesting as the documentation you sent along earlier which some of us have studied and which all of us will be studying and it is certainly going to help to make our hearings more meaningful. We are grateful to you and particularly so because we know you are very busy and it is perhaps an imposition to be here this evening. So on behalf of the Senators and myself thank you very much.

The committee adjourned.


Second Session—Twenty-eighth Parliament
1969

THE SENATE OF CANADA
PROCEEDINGS
OF THE
SPECIAL SENATE COMMITTEE
ON
MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 4

FRIDAY, DECEMBER 12, 1969

WITNESS:

Mr. John Holmes, Director General of The Canadian Institute of
International Affairs.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, *Chairman*

The Honourable L. P. Beaubien, *Deputy Chairman*
and Messrs.

Beaubien	Langlois	Smith
Bourque	Macdonald (<i>Cape Breton</i>)	Sparrow
Davey	McElman	Welch
Everett	Petten	White
Hays	Prowse	Willis

(15 Members)

(Quorum 5)

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

"With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative, on division.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

FRIDAY, December 12, 1969.

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, *Chairman*; Macdonald (*Cape Breton*), McElman, Petten, Prowse and Smith. (6)

The following senator, not a member of the committee, was present: Connolly (*Halifax North*).

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Miss F. Dale Hayes, Research Assistant.

The following witness was heard:

Mr. John Holmes, Director General of The Canadian Institute of International Affairs.

At 11.30 a.m. the Committee adjourned to Tuesday, December 16, 1969, at 10.00 a.m.

ATTEST:

Gerard Lemire,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA EVIDENCE

Ottawa, Friday, December 12, 1969

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (*Chairman*) in the Chair.

The Chairman: Honourable Senators, this morning we are delighted to welcome as our witness a distinguished Canadian, Mr. John W. Holmes, who is the Director General of the Canadian Institute of International Affairs.

I think, Mr. Holmes, you might proceed as follows: If you care to make any kind of an introductory statement, do so. Then the Senators, with your permission, would like to question you on things that you say and, indeed, they may ask about things which you have not said.

We are delighted to welcome you here. We are particularly grateful you were able to find time to be here.

Mr. John W. Holmes, Director General, Canadian Institute of International Affairs: Thank you. Thank you very much. I am honoured to be asked to speak here. I, perhaps, should explain that I am speaking entirely for myself. I am the Director of an organization which is not allowed to have any opinions of its own whatsoever. Therefore, anything I say is my own.

I might also add it is not an agency of the Government and receives no funds from the Government. It is a private organization so I am under no particular pressure from any direction.

I have two special interests. One interest, of course, is in the creation of a better informed Canadian public in the field of international affairs, I suppose in a kind of blind faith that foreign policy is more likely to be intelligent and sensible if it is formed in a climate of understanding, rather than a climate of ignorance.

I would also like to speak on a second level. I think it is a major one. I would like to bring a particular concern to what is my interest in

professionalism in the field of international relations for educators, leaders of opinion, research workers, academics, people of that kind, Senators, members of what sociologists call elite groups.

These are the people who are particularly interested in the press and mass media generally, for the information which is essential for those who are making a careful study of international affairs and, in particular, Canadian foreign policy.

The principal message I have, I suppose, is one which you foresee. Perhaps it is so important that someone might register this as simply a plea for more and better information on international affairs in the Canadian mass media—with heavy emphasis on better rather than more.

Now, having said that, I would like to say that I speak as someone who has lived and visited abroad a good deal, as well as in Canada. I think the general record of the Canadian press—I am using Canadian press in the lower case here—is good.

One is exceedingly critical of the press. I spend a lot of time in faculty clubs. I hear the press constantly criticized and talked about. I think one simply has to live for a little while or stay a little while in a city like Chicago or San Francisco to appreciate the quality of the coverage of international affairs in Canadian papers.

I spent a good deal of time in Geneva. Even in highly civilized international centers like that, you would be lost if you did not depend on the foreign press for the coverage of international news or, at least, the press of another language in Switzerland, itself.

I suppose what we do lack here, and the reason that comparisons that are made with foreign papers sometimes seem unfavorable, is there is a great tendency, of course, to contrast a small Canadian paper with the London Times.

I am talking about the general coverage in Canada. Perhaps what we do lack here is one "national" newspaper, if I can use that term very much in quotation marks—a London

Times, New York Times, or more particularly, a superb newspaper like *Le Monde* of Paris, or even some of the papers of this kind which exist in smaller countries and some Latin American countries. There are some notable examples of first class national newspapers.

However, having said that, I really do think that most of our papers in Canada are good; I would rank at least a dozen Canadian papers ahead of the second newspaper in most of the world capitals. This is very subjective. They may not quite reach the standards of these single great international newspapers.

What is more, I think that so often in London, for example, by the great tradition of the British Press—if you except one or perhaps two newspapers—most of the rest, I would say, are positively bad in a way that Canadian newspapers are not because of the deliberate distortion, although they sometimes do conduct unnecessary crusades.

Now, I am saying this really for purposes of contrast. I think our Canadian newspapers, in the international field, are much less likely to do harm. They are better balanced and they have these virtues. One point I would like to make is that I think the virtues which we have—and these should not be underestimated; they are extremely important—are rather negative virtues. They are somewhat second-hand virtues. This is the point I would like to mention.

Now, I am afraid I must talk mostly about the press, and here I confess a weakness. I am still stuck in the Gutenberg syndrome. I am afraid I agree very strongly with what Walter Lippmann says in the notes which were provided here, the question with which I am sure you are familiar. "Television is adding to the irrationality of the world. It makes everything simpler or more dramatic or more immediate than it is. If you listen to television you cannot find out what is going on in the world. News on TV is very good; but you can't live on what they give you. So newspapers are here to stay."

They may not, as Marshal McLuhan thinks, be here to stay, but I think it is a pity if they are not. I am not a great watcher of television. I am afraid I am driven away by advertising and instant replays and other irritations.

Also I must say that I do not find very much on the Canadian television in my particular field and this, I think, is rather a pity.

Let me, however, say a word for the news of Canadian television, which certainly compares very, very favorably with the news one finds in the other television systems—British, French, Swiss. It is very good and I say that for a particular reason, because it is a plea to the CBC and CTV and other media of this kind to be true to themselves and not allow themselves to be distorted from the particular thing they do, which is to present the news as effectively but unsensationally as possible in the international field.

CBC radio seems rather anxious by the use of electronic noises to try to persuade us before we start that it is a third class program. In fact, as you listen to it, you find it is a first class news program. I will make that slight concession to them.

Television is here to stay. I am not talking like an old dodo. It is very important that we can compliment them on some of what has been done, but there is not nearly as much as there was in the past.

Where is the discussion program on international affairs that one used to have on Canadian television? There are some very good programs, the Thursday night programs, which have been introduced. These are more in the way of teaching than listening. I think there is something to be said for having different voices appear on television.

Also the tendency of television is to concentrate on the fashionable issues, particularly issues which are not related to Canadian needs. I am pleading for domestic rather than international coverage, but I think we could do with a little less coverage of our neighbour's domestic problems.

Now, I did raise the question or mention the fact that in Canada, there is lacking what one can call a national newspaper. That is a very debatable term, a national newspaper.

I would like to raise the question as to whether we should have such a national newspaper or probably in Canada, two such papers—one in English and one in French. It would be very nice to think of a bilingual national newspaper.

These, of course, are normally papers of small circulation and considerable influence and they are very expensive to run.

For my second purpose, the purpose of libraries, researchers, people who try to put together the news for home use, a paper like the *New York Times* is indispensable. It would be of enormous help to have something of

this kind where you have complete coverage of, particularly, Canadian foreign policy.

That is a special interest, which I think needs to be stated. I am not at all sure that we want to create in Canada—not that one can create a New York Times, which I think is a highly over-rated newspaper, too powerful and also one of the duller newspapers in the world.

If one wants a model, I suggest again you go to Paris and look at *Le Monde*. You might want to ask Monsieur Beuve-Méry how he manages to run the world's best newspaper with so little advertising.

There is a real problem in Canada for people in following foreign affairs, international news, when one moves away from the major metropolis. You feel it is not easy to keep in touch with the world if you live very far away from the major centres. I am not going to name which ones.

One newspaper which I have been following with some interest—I have not had a recent report on it; but it might be looked at—is the *Canberra Times*. This was an attempt in Australia to create a national newspaper of small circulation which it was realized would not pay for itself very well.

It raises the question as to whether it might be possible for an organization like the Canadian Press, by pooling its resources in some way, to create some kind of national newspaper for the benefit particularly of scholars and specialists.

Such a paper would serve a very considerable use, I think, abroad. As you know, when you travel abroad it is one of the hardest things in the world to find out what is going on in Canada and particularly, of course, what Canadian attitudes are and what Canadian foreign policy is.

I think I should make it very clear that I am not putting that forward as a formal suggestion. I think it is just the kind of thing one might think about. We see all sorts of difficulties and the costs would be considerable. All I can say is if somebody could find some way of doing something like that, it would serve certain needs.

I realize also a newspaper is a sort of thing which one does not often deliberately create. It grows usually from small roots by sheer quality into having just pretensions to being a national newspaper.

Anything that could be done to assist, and I will not be too specific as you can imagine what kind of things one might have in mind, the distribution across the country of some of the major metropolitan newspapers—not so they would really compete with local newspapers, but so they would be available for the small group of people and libraries and others who want to follow what is going on in the world.

One thing that has been lacking in Canada, for example, which is important, is that it is very hard to find the texts of statements as one gets in papers like the *New York Times* or *London Times*. I know this is exceedingly expensive and crowds other things off the pages. I do not want to argue that we should crowd Mrs. Thompson off the pages of the papers. I like Mrs. Thompson. She serves a purpose.

At any rate, if it is possible, may we have more texts, not only of what our own people say, but even what other people say. I used to find that when I got *Le Monde* or called the local French Consulate and found out what General DeGaulle actually said, it differed considerably from what he seemed to have said as interpreted and distorted by a pretty hostile group of reporters in Paris.

May I just say a word here about the Canadian Press—now I am talking about the Canadian Press in capitals—also in the international field.

I think as far as the Canadian Press is concerned, one feels rather as one does with the United Nations. The first question you have to say to yourself is what you would do without it. I think we would be in a very bad way without the Canadian Press. I think it does its own thing exceedingly well.

It is not sensational, but it is reliable. I was very reassured to hear spokesmen for the Canadian Press before the Committee the other day say they were going to stick to their own thing. To have this kind of generally pretty reliable reporting of what is going on abroad is very reassuring and I think it compares more than favorably with some of the larger agencies, like Reuters, for example.

I hope it will stick to the factual report, rather than the interpretative story of the commentator. This is the criticism of the Canadian Press. It should be supplemented by interpretative articles by other Canadian correspondents, of which I will have a word later.

I think the only complaint against the Canadian Press in the international field is there is not enough of it. I know this costs money. More correspondents placed in more places would help a good deal.

This brings us to some consideration of foreign content in Canadian newspapers. Now, first of all, there is the question that so much of our reporting on foreign affairs comes from foreign sources, written by foreign correspondents and so many of the columnists in the field are foreigners.

First of all, as in all these cases, there are virtues as well as defects in the system. The virtues of this are considerable. Our newspapers, by carrying the reports of some of the world's best newspapers, do, in fact, bring to us high class reporting.

The perspective of the New York Times or Washington Post or the Observer, and other foreign bodies of this kind, is very valuable. I certainly would not want to be without them. I think, although you do not get as extensive daily coverage in our papers as you do in some of the large foreign papers, if one reads a newspaper consistently, it is my impression—the ones I read—that they do tend to keep you posted.

It is my impression of the papers I read that you will have an article on the Middle East, not every day, but at least one which keeps you posted on what is going on if you read it consistently. Frequently, of course, they are drawn from foreign sources.

Incidentally, although I am arguing for more international coverage, I would like to make a plea for less in some respects. It is a paradoxical argument. I think some subjects are over-covered. There is a great deal to be said particularly for our use of the thoughtful article, frequently taken from a paper like the Observer, which pulls together the threads of a situation.

Frankly I do not read the long, daily reports of the fighting in Vietnam, not because I do not think Vietnam is important, but because they are exactly the same every day—or one reads them the way I recall we read Pravda in Moscow, just to see if you can find some slight deviation.

I am going to press that analogy further, but I am not sure it would not be far better to have the report of the fighting in Vietnam once a week, rather than once a day.

The situation in the Middle East has become almost the same.

Well, just to sum what I was saying, there again is the great virtue or great value for us of having this correspondent from a foreign country. It helps give us a broad perspective. After all, if Canada is not an internationally-minded country, it has little reason for existing. That is how I feel about it. Now, there are, of course, the defects of this system—which are perhaps obvious.

Let me say first of all that I wish our editors were not quite so anglebound, if I can coin a phrase. It does seem to me we do draw from abroad and draw from a pretty narrow circle, particularly American and British—things in the English language.

If we are going to introduce articles from abroad, what is wrong with the articles in a superb newspaper like *Die Zeit* of Hamburg—except I suppose somebody has to translate. I can buy them in Toronto the same day they appear in Hamburg.

Le Monde publishes an English language monthly, or weekly. If you do not want to translate, why not use the *Japan Times*?

I think our editors tend to be unicultural. Of course, I am particularly thinking of English speaking editors. I think our French speaking editors are less so.

I was astonished last year when one of the most powerful figures expressed an opinion in Europe. Mr. Jean Jacques Servan Schreiber of *L'Express* published a long article in his New Year's issue in which the gist of it was there were two important events in world history in the previous year. One of them, the most important and most hopeful, was the Canadian election.

One need not agree with his point of view, but it is an interesting article for Canadian consumption from a man, who, as you know, had a powerful influence on European opinion. I saw no reference whatsoever to this in any Canadian paper, except *Le Soleil* which I think picked it up.

It is just a plea to spread one's ears—if one can do that—eyes and ears a little wide.

Senator Connolly (Halifax North): In what respect did he publish this?

Mr. Holmes: General survey of what had been going on in the world and well, I suppose that since the content was highly political...

Senator Connolly (Halifax North): I do not want that. Why was it more significant than any other national election in his view?

Mr. Holmes: Well, I think one of the points that he made was that in the elections in all other places, he felt that old conservatives—with a small “c”, I am treading on dangerous ground here—and I think a few reactionary people had been elected, and that in Canada, I do not think he was so much thinking of the actual people elected as the kind of mood.

I am not mentioning this because I want to suggest that Mr. Servan Schreiber was right. It is his own opinion; right or wrong. It was just...

Senator Connolly (Halifax North): That he expressed them.

Mr. Holmes: Coverage of Canada in foreign newspapers is exceedingly small and when papers of importance like L'Express, have an article about Canada in them, I would have thought that somebody would have read it.

Senator Connolly (Halifax North): Well, the only reason I mention this is that from the point of view of spectacular elections, I think the 1958 one—which did not happen to do the party I belong to to much good—was by far the most spectacular. Senator Davey will, perhaps, remember about that.

The Chairman: Mr. Holmes, will you carry on, please?

Senator Prowse: Perhaps that was because it was tragic.

The Chairman: It is all in your point of view. I am sure Senator MacDonald did not regard it as tragic.

Mr. Holmes: What is lacking in the coverage of international news is that it is being covered by foreign rather than by Canadian correspondents. The Canadian perspective and, particularly, the Canadian interest is lacking.

In most of the criticism of this, I think there is a little too much emphasis on the idea that somehow this introduces a foreign bias and, particularly, an American bias. I think this is like the debate over the Americans in our universities.

The problem is not really that they introduce an American bias. Most of them are anti-American Americans. What is lacking is Canadian content.

First of all, let me illustrate what I think is good. At least one of the newspapers which I read regularly sent a very good correspondent

to the recent meeting of NATO. What he sent back was exceedingly satisfying. He told me exactly what the Canadian position was in a balanced way, what was being said about the Canadian position, this kind of thing.

I compared this with the New York Times report, which of course had nothing whatsoever about the Canadian position. This is not a criticism of the New York Times, but it does not serve our purpose.

May I cite another case? I rather hate to cite this because the particular newspaper concerned is a pretty good one. A recent report in the London Observer on the Canadian Chinese negotiations in Stockholm obviously was completely confused. I do not pretend to have the inside story of what is going on. The story obviously was confused, and I did check my impression that it was also quite incorrect.

I am not suggesting really that any Canadian newspaper, even Canadian Press, should have a resident correspondent in Stockholm, but somehow I think we could do better if we had a Canadian reporting it.

There were two other incidents this week, two stories from the United Nations. For instance, we had a report of the very interesting debate and vote in the Political Committee of the General Assembly on a motion to persuade the super powers to stop the deployment of the strategic nuclear missile systems. It was interesting because there was a new tendency for middle and other countries to begin to take a stand against the super powers.

This is very interesting. This story is from the Associated Press. We have no idea how Canada voted. I would rather like to know that.

Two days later, another story on a very interesting vote on the Middle Eastern situation, again from Associated Press, and no mention of how Canada voted. I do not expect the Associated Press to pick out Canada, but this is something very much lacking.

There have been instances, for instance, when Commonwealth Conferences in London have been covered in Canadian papers by the New York Times, which I do not think is good enough.

This situation is not as bad as often suggested and, as I say, there are virtues in it. Where one sees what is missing is when we do get a good Canadian correspondent, for instance, who spends two months in the

United Nations General Assembly and the kind of interpretation you get. It is enormously helpful in trying to decide how we should press the government, what kind of positions we think our government should take.

You never will get this from a foreign correspondent. This is Canadian content that is missing, even though we need the others as well to give us balance.

This leads me to just add one word here. I would like to make a special plea for the development of a real corps or stable or whatever you want to call it of good Canadian correspondents. We have some very good ones. We have had some very good ones—a lot of them are now running the New York Times. We lost them.

I have the greatest respect for good foreign correspondents. When I was in the foreign service, I found they were enormously helpful. They were people one had to keep in close touch with. They were often much better informed than others.

In my present work, I find them even more important. The kind of a role a good Canadian foreign correspondent plays abroad or when he comes back in the life of the country is in the debate, putting forward points of view. This is a group of people it is in the national interest to develop.

The problem I see in my personal friendship with another one of them is the problem of a career. If a man is going to be a foreign correspondent, he has to build a career. This is difficult. It is difficult for the newspapers who employ him.

I fully realize he has to have postings; it is like the role of a diplomat in many ways. In terms of a career, you move from one assignment to another. Then he should come back to home base for a while, share our views, and get Canadianized. I hope some attention can be given to this aspect of it.

Foreign correspondents tend, of course, to move from one paper to another. What I do not want them to have to do is move to a foreign newspaper, not that it is a disaster, but we lose them and we need them.

There are all sorts of difficulties there. There is the great problem of the foreign correspondent, which is exactly the same as that of the diplomat—if he does not stay long enough in a place, he is not well enough informed. He does not know the language. He has not got the sources. If he stays too long in a place, he tends to become bushed and his

writing becomes tendentious and too narrow in focus. These are problems that have to be dealt with.

Here I would like to say a good word for the CBC. It is one of the few institutions which has, of course, great resources and maintains a very good group of correspondents. I hope very much these can be maintained in the national interest.

I know you are particularly interested in the question of press chains. Obviously it is terribly expensive for one newspaper to maintain an office abroad. It is rather like asking it to maintain one Canadian Embassy.

It is about on the same level sometimes. Perhaps correspondents are even more expensive. There are certainly some good examples in Canada of press chains being able to maintain foreign correspondents which is not possible for others.

I do not pretend this is easy for newspapers. I just say that I hope you can find some ways of doing it.

I would like to say although I have pressed for more coverage of international news, more and better, I do not want to take a fanatical view. I find it takes me less time to read the morning paper than it used to. I think that is because there is more domestic and less international news, but I cannot honestly say as a citizen it is necessarily wrong.

The importance of urban problems, internal Canadian problems is such that there is an argument for devoting more space to domestic issues. I miss—I might say that fewer and fewer of these issues are in fact totally domestic, particularly if we are talking about things like pollution. I must make a plea I think not to take too parochial a view. We need international perspective, reporting not just international politics and foreign politics but somewhat more interest in what other countries—other than the United States, not that its examples are wrong, but there is an over-concentration there I think—what other countries are doing about specific problems and that sort of thing.

I must not talk any longer. I cannot leave this without making a strong plea also for anything that can be done to support the Canadian journals of opinion. We are very short of journals of opinion in this country. We have some very good ones, all struggling over the years.

You cannot have a good insight on foreign policy without this sort of thing.

Here one gets into the very tangled issue of foreign subsidiary journals in Canada, which I will not touch upon. I will just say—without being specific—I think it is of some value if a foreign subsidiary journal in Canada does provide us with some news about Canada because there is all too little except in the daily press.

There is all too little in our periodicals. If one compares that coverage with what one can get in a purely Canadian journal—and without making invidious comparisons, I might mention a journal in Montreal which is a very good one, much broader coverage of Canadian news and foreign policy—I think we realize what we are missing.

Finally, just a plea to the press having to do with their role in the foreign policy debate in Canada. It is terribly important that we have this debate and particularly during the past year of foreign policy review, when private organizations have been trying to stimulate debate, one important aspect of this is statements, speeches, conferences on this subject which are carried to a wider audience by the press, by the mass media generally.

May I just make a heartfelt personal plea to the press to be exceedingly careful in their reporting of these statements, not to oversimplify them and in particular, not to put out headlines which are such an embarrassment to the speaker that in some cases, many of us would really prefer not to say anything if we think we are being covered by the press. That is because we have not the foggiest idea what we are going to be accused of saying by the time it reaches the remote parts of the country.

I think the press must remain eternally vigilant about government hand-outs, about any kind of government direction or dictation.

On the other hand, I do think the press must not stand between the government and the people and it must not stand between the people and the people. This is where it has a solemn obligation to try to report what in fact was said, whether it was by the government or by another citizen. It is of great importance.

I would not agree with what a certain distinguished gentleman said, and I do think that the President of the United States has a right to speak to the people of the United States without being interpreted by other people who have a captive audience.

This is another reason why I think that it is important that texts should be given. However suspicious one might be of what the government has said, it is right of the press to criticize, to interpret in any way, but I do think it is also the right of the government to have its statements and policies conveyed to the public.

The public then can tear apart what, in fact, has been said.

I am afraid there I roamed a little away from my particular mandate, Senator. I am open for attack, gentlemen.

The Chairman: I am not sure you roamed. Indeed, if you did, we are delighted you did. I can say, even before the questions, this has been a most useful commentary.

However, you are available for our questions. I might say to the Senators that the witness has an appointment away from the building at 11:30, so will you be mindful of that fact when you are putting questions.

I think, Senator Prowse, you have some questions first.

Senator Prowse: There have been a number of comments, Mr. Holmes, and yours is the last one we have heard, on the possible desirability of having more of our international news that comes into Canada reported by Canadians.

Now, just where would be the advantage of having the Canadian news reported by a Canadian rather than, let us say, a good objective, fair reporter from either the New York Times or London Times?

Mr. Holmes: Well, if a good objective reporter of the New York Times or London Times will cover Canadian news, I am very much interested.

Senator Prowse: I don't want Canadian news—let us take the Middle East for example. Where would it be an advantage to have our reporter report on what is happening over there? What would be the advantage of having our reports that we receive on what is happening over there written by a Canadian reporter rather than, say, a good English or a good French or a good Australian reporter, for example?

Mr. Holmes: Not very much. In fact, I would be very distressed if we did not continue to have on our papers the reports of good correspondents of foreign papers. They are some of the great specialists.

This we absolutely must have. We must not be cut off from it. What I am making a plea for is that it be supplemented with some Canadian reporting. Much of it, I presume, would have to be of a roving nature.

This is primarily because there are certain aspects of Canadian policy in the Middle East we do want to understand.

When we had UNEF, we did want to know what was going on there and how the Canadians were getting on with that problem, what their attitudes were. So long as there is any problem or question of Canadians returning to the Middle East in a peace-keeping way, so long as Canada is involved in any way in the Middle East—whether one wants it to be or not—I do think that somebody has got to point out some special Canadian interest, Canadian attitude—which just happens to be ours.

They are not by definition different from others. I am glad, Senator, that you did mention this question so I can make it quite clear that I would like to see the Canadian reporting to supplement the others, but certainly not cut off the others.

Senator Prowse: What I have in mind is we get a lot of news from Vietnam, which you mentioned. It comes to us almost exclusively, I suppose, through American sources.

Now, you have some expertise in the international field. Suppose we were getting our reports from Vietnam by a Canadian reporter, whether he is sent out from a metropolitan daily and they could maybe syndicate his reports to somebody else, or whether it is coming to us from a Canadian Press reporter who was sent there; in other words a Canadian. Would you think there would be any substantial difference in the kind of information we would get?

Mr. Holmes: First of all, I do not think it is a question of Vietnam. That is a rather good case. I do not think it is a question of bias that is involved in that.

I do not think it is fair for anyone who looks over the American news from Vietnam to argue that this gives you a pro-American view. Certainly not, if you read the New York Times, which has been one of the most severe critics.

I do not think the question of having an American view exposed to us, imposed upon us is important. This may be important in other issues. It is more likely to be important

in economic issues than in something like Vietnam.

I do not think it is a question of bias. We are bound to get most of our news from Vietnam from American sources. My impression is that at least many of the Canadian papers do supplement this with British reports, French reports, and others to give some different perspectives.

On the other hand, there are certain Canadian interests. Let me just cite an historic situation which I recall. I was in the foreign service and concerned with the original days of the Control Commission in Vietnam. It was a very important Commission which we had.

We were quite upset because the press reports coming from there were coming from largely American reporters. They were very much distorting the role of this Commission, criticizing it, we thought, quite unfavorably.

They did not understand what its purpose was. In that case, some quite good Canadian correspondents did go and sent back some reports. The CBC sent a man there. There was a very definite Canadian interest to be covered. I think this helped to give us somewhat a better balance.

Senator Prowse: What I am concerned with is the actual cost of getting the Canadian reporters abroad. It certainly is not practical to think in terms of the odd Podunk Journal in Canada sending its own reporter, so they are going to have to get it from a source.

The Canadian Press said to us, "We cannot put people into every place in the anticipation that something is going to happen, but we do send people to areas that do become important to Canadians."

Now, from where you sit, is this a fairly reasonable claim they make, or fairly accurate claim—let us put it that way?

Mr. Holmes: I think Canadian Press covers Washington and London.

Senator Prowse: And Paris now.

Mr. Holmes: And Paris. Probably London and Paris correspondents roam a bit. Some of them do. I know this is quite expensive. My particular plea would be to have the Canadian Press or some Canadian journal cover the United Nations which, after all, is an exceedingly important area of Canadian foreign policy.

Even during the period of the General Assembly, which is only three months a year, or even when Canada was on the Security Council, quite frequently in cases like that somebody was sent down especially. It seems to me this is a neglected area; expensive, yes.

A number of privately owned Canadian newspapers manage to have a Far Eastern correspondent, which is interesting. I would hope that perhaps Canadian Press might do something of this sort. These people have roaming commissions and they do a good deal. I think of those particular Far Eastern correspondents, they all serve that kind of purpose I was thinking about when talking about the Canadian foreign correspondent, as a contributor to the national debate.

They are people with some expertise there. They are a great asset to the country, and the community.

Senator Prowse: This is the point I was getting at. If it is not practical for us to send people into every country to report on it, would you think that we might at least adequately cover the U.N., and then gain an indication of where special attention was needed, by paying much more attention and maintaining people at the United Nations where they would have immediate contact?

Suppose we had a bureau at the United Nations. They could have immediate contact with all of the national situations. If they were doing a good job, we would have an indication of where it might be useful to ship somebody in order to get the story.

If they were having a discussion about any one of the issues—whether it is starvation or whether it is industrial development or this type of thing, could a useful purpose be served by putting a specialist in a post down here with a view to finding out where we go next?

Mr. Holmes: I am very glad you have registered this. I think you are absolutely right, Senator, and if you look at the list of newspapers represented at the United Nations, I am sure you will find a great many world newspapers have come to exactly this conclusion. Many foreign papers find it useful to have somebody in New York who does cover the New York scene as well.

I think it is possibly a very good place to cover international politics, where you can do the kind of coverage of say a C. L. Sulzberger of the New York Times. He seems to be everywhere and he covers the world because

he keeps an ear to various people who know what they are talking about.

Whether he should be in New York or not, I am not quite sure; so much of the real action of the United Nations now is in Geneva. At any rate, he might find it pleasant and interesting to commute between the two places.

Senator Prowse: Well, we would be interested in a Canadian, it seems to me, in...

The Chairman: I just have a note here from the CP person in the room who says the Canadian Press has a man permanently assigned to the United Nations in New York.

Senator Prowse: Yes, a man.

The Chairman: Well, it makes the point that you were making.

Senator Prowse: Could you cover the United Nations by yourself, do you think?

Mr. Holmes: It would be very difficult. Some large newspapers, like the New York Times, have normally two or three people.

I am sorry. I was unaware the CP manned this. If so, I am not sure why we get our reports from AP of what is happening in the last few days.

The Chairman: The articles you mentioned in the course of your remarks. Senator Prowse, are you finished?

Senator Prowse: Yes; I think that is all.

The Chairman: Senator McElman.

Senator McElman: You have made passing reference to the recent uproar over Spiro Agnew's news attack upon the press. There was a somewhat emotional, hysterical—if you will—reaction to it.

Do you feel in such instances that the important elements of the press are inclined to over-kill when there is criticism of themselves? Do they go too far in trying to influence public opinion and get an opposite reaction to what they were after?

Mr. Holmes: Here I think there is a considerable difference between the American press and the Canadian press, perhaps just in the more relaxed tone of the Canadian newspapers and less shrill approach frequently.

I think it may well be true of the American press, although I would not like to express a competent opinion there in this particular

issue. It does seem to me there is a tendency to band together and cry freedom of the press when there is criticism.

Having said that, I immediately find I want to qualify it. In many ways, I do not like generalized criticism of the press, although I have made some generalizations about it.

I notice when they have meetings of their own, they get into the confessional and confess their sins and they say they must do a great deal about it. I accept that as their indication.

If criticism comes from outside, they tend to band together—but perhaps we all do that.

Senator Connolly (Halifax North): We have a continuing interest in the Commonwealth. We have formed, I think, certain views through the Parliamentary Association of the countries, and the people that go there are very highly respected, and they are expected also to take initiatives and give leadership—particularly for the problems of a developing world, the Commonwealth proportion of the developing world.

Now, I find that in many respects a good many of our prominent Parliamentarians going there have some general idea of conditions in the developing world or in some parts of it. I do not say this to be critical. I think I am being objective.

What I do find is that by contrast, the British press, I think perhaps more than what you have described, is an opinion press, periodical press. As it is written it will give you a more hard-nosed analysis of what the situation is politically and economically in Tanzania or Bechuanaland, or where-have-you.

It seems to be able to write about these places assuming a background of knowledge on the part of the British public. It may be a hold-over from the days of the Empire. It makes them infinitely more knowledgeable about these problems.

Now, is there any real solution to this situation for Canada in terms of coverage and in terms of providing a public opinion that can be responsive to initiatives that Canada can take?

Mr. Holmes: Yes; this is a very important issue. I think as the Canadian interest abroad and the Canadian involvement abroad get greater, we have to have a better informed public on the subject.

In Britain, of course, you have the reflection of a very long period of involvement abroad, a consideration of many of these issues, and a tradition of coverage in the British press and periodicals.

We benefit from that by using a good many of those articles from the good British correspondents, particularly about Africa.

It will take us quite a while to build up in Canada foreign correspondents with that kind of experience. I can think of at least one of our larger newspapers which has maintained, for a time at least, a correspondent in Africa. The correspondent did very well.

Here again perhaps, there is a danger and I realize this. When I am talking about broader coverage. If you get too broad in your coverage, you get only superficial coverage and it might be better to leave it to foreign rather than have that kind of coverage.

The only suggestion I could make here, and I think there is a good deal to be said for it, is that we now have in Canada an increasing group of Canadians who have been abroad for many reasons, technical assistance, missionaries. They might have lived in the north-west corner of Pakistan or the northern part of Nigeria; young people in CUSO.

There is quite a body of those people now. I am happy to see that a good many of our newspapers ask them to write special articles on these people. This is a very good tendency. It encourages these people themselves. It makes them feel more involved in the Canadian policy and that, I think, is something to be much encouraged. Here is my impression: The Canadian papers are pretty good.

Senator Connolly (Halifax North): I wish I could agree with the last statement, but I do not. Perhaps it is because of the interest on the part of the public, but let me ask you, if I may: Would you think that reviews, say by the Foreign Relations Committee, of the work done by the members of our Foreign Service when they return periodically or at the end of their term, might have the effect of stimulating that kind of interest?

I consider the problems of the Third World to be, perhaps, the most important problems in the world today. I see an opportunity for Canada to take a lead, not necessarily in money because we have not the resources that many of the big contributors have, but if we can establish a climate of public opinion here that might induce the press to realize

how important it is for the Third World and for us, I think we would be doing something. Do you think the Senate Committee on Foreign Affairs talking to returning ambassadors from time to time, without asking them to talk about government policy, but to talk about conditions in the country as they saw it during their term, would have an effect of a kind that I seek to produce?

Mr. Holmes: May I just say first of all that perhaps when I was speaking, if I exaggerated what the press is doing in the way of taking advantage of expertise in Canada, it was probably just because I felt it might be more effective to encourage them for what they do than to criticize them for not doing more.

Senator Connolly (Halifax North): Yes. I do not want to be taken as criticizing them for not doing enough. I think that the law of supply and demand runs here as well as in the economic field.

Mr. Holmes: Yes. This probably would not be a popular statement. I would think there is a great deal to be said for the members of the committee on External Affairs talking to returned Canadians, foreign service officers, or foreign service officers who are back on leave.

It seems to me highly important. On the other hand, I really do think that given the kind of system of government we have, in which government policy must be decided by the government and not by its servants, such discussions should be off the record—not available to the press.

Senator Connolly (Halifax North): Do you not lose the whole value of it if it is not available to the press? You might have to put some certain wraps on a comment made by a returning foreign service person. Perhaps you might have to have some part of the hearing on camera. I am thinking only of encouraging the press to take an interest in this kind of operation, in a very detailed way, and countries where there is trouble.

I think Nigeria came to Canada as an explosion. I do not think it came to British readers as an explosion because they saw it building up. There are other places in Africa where the same thing happened, according to the British press, and Canada had similar low-ups.

Mr. Holmes: I think it would be useful to the committee to talk to the Canadian High Commissioner in Lagos. When one is involved

in such an exceedingly delicate situation, I really think that if he knew that what he was saying was going to be reported, he would...

Senator Prowse: Would he say it?

Mr. Holmes: He would have to be very banal. He would become very banal.

Senator Connolly (Halifax North): That is an extreme situation. I was thinking of creating a general climate of opinion and perhaps a hunger for news about situations in these countries.

Senator Smith: Mr. Chairman, I have a question with regard to coverage of foreign events by Canadians. I think it is a very interesting subject. It has been touched on before by others who have been here before us.

I gather in the first place you are not impressed with TV as a medium. Perhaps you do not turn it on to see what it has to say about foreign affairs, for example. Perhaps you have no interest in what television is saying about foreign countries.

To me, it seems that perhaps through that popular appeal, we can get people to think about what is going on in the rest of the world through that medium. Last night, after we wound up a hard day here, I went home and got the last part of what to me was a very interesting documentary on China.

There was a film. I missed most of the film. The part that I listened to quite carefully was the commentary on the film and the commentary on the Chinese situation by a former colleague of yours, Chester Ronning. He praised the film very highly.

He said in the first place, "I want to say the film was very good. It was excellent."

I would have thought that would have been a very worthwhile program for many people to see in the country. Do you not agree that television has a place?

Mr. Holmes: It has very much a place.

Senator Smith: I know you are a very serious student and your attitudes are so different, for example, than the uninformed Canadian.

Mr. Holmes: I would not want to set myself apart that way. I just find normally I can get more by reading a couple of issues from cover to cover in a journal than watching television.

I am not advocating that for anybody. It is a personal weakness, let me say. I think what

Walter Lippmann is saying is that television is very useful, and obviously supremely powerful, a powerful supplement.

I am concerned with the situations where we depend on it alone. That is the role, and a dramatic role—when I see a television program of this kind, which tends to express a point of view that I am in agreement with, I think it is just fine.

When I see one that I think has been deliberately distorted, where the facts are being manipulated by people, then I think it is pretty frightening. It does leave quite a bit of power in the hands of an editor.

Senator Smith: Then you do not have an opportunity to get on television with the audience prepared for you to answer then and there. Therefore, the other side has lost. I understand your disturbance about that.

Senator Prowse: Unless you are a commentator following the President.

Senator Smith: I think it would be pretty interesting for Canadians to have a look at Vietnam through Canadian lenses rather than being influenced by the American lenses. I think that would be useful. It is not exactly a coverage of news.

It is the same old story you make reference to; the tendency there is perhaps to over-cover or to concentrate on what seems to be a popular thing of the day.

I am just wondering whether it might be your opinion that perhaps the television coverage and the reportage that has come out by reporters on Biafra tends to dwell on Biafra too much. Perhaps they got so involved, it showed one side in a very sympathetic light to the exclusion of the balanced assessment. Perhaps that is the weakness you referred to on television.

Mr. Holmes: This is very much the kind of thing. Television has a great role and the press has a great role in exposing the situation of starving children in Biafra. It is the kind of selectivity of exposure that is worrying me.

Why such attention to the starving children in Biafra and almost complete ignorance of the starving children in southern Sudan? Why is there so much excitement about the grape pickers in California rather than the Gaspé?

Senator Smith: They are unorganized.

Mr. Holmes: Or Métis in Canada? Now I am not suggesting it is wrong to draw attention to the Biafra situation. I have not figured out the California grape picker one; at any rate, if there is a problem there, why that is interesting.

Somehow it does seem to me we have program after program on the California grape pickers or the urban and racial issue in the United States, on which there is not much we can do.

Senator Smith: Do you think it would be a useful suggestion to make to both the Canadian Press and the CBC that in the first place, the CBC tolerate some moonlighting on the part of some foreign correspondents who are obliged by the public to make a comment every day on the radio and on the television? Maybe that would be a way out of the Canadian Press dilemma, with regard to financial resources and would employ the CBC at a higher rate of pay and encourage better men to work for the CBC.

Mr. Holmes: Yes.

Senator Smith: There is one question that I would like to ask. I would like you to tell me the country in which there is an active and satisfying Latin American Press? Which country or countries were you referring to?

Mr. Holmes: I think here I am a little lost. I do not read Spanish or Portuguese. I am judging to a considerable extent on what I am told. I think Estado de Sao Paulo, when I have read translations, seems to have remarkable coverage and also a quality of courage.

Senator Smith: My question is based on the general political situation in such countries; how can you have a free press? How can you have a good press in a situation where you have near dictatorships?

Mr. Holmes: What has happened to it recently I do not know. It is quite a situation.

The Chairman: Mr. Holmes, I would like to return to television, perhaps in a round-about way. You indicated a moment or two ago that when you read the Globe and Mail every morning you are impressed by the increasing emphasis on local and urban news, etcetera.

Some of the research that we have done in preparing for these hearings would tend to confirm the Globe and Mail's judgment that this is the news that interests people most, the local issues. I am wondering if you would

not agree, particularly in the area of international affairs, that perhaps television can be more useful than the daily press in developing an interest across the country in international affairs.

Mr. Holmes: This is very true. It reaches a wide public, so much more vividly. We had an example in Biafra, whatever one thinks of the coverage and the particular issue there—the fact that the Canadian people could be roused about an issue which is a very great distance from here. It is a good thing.

The Chairman: But the rousing was more through television than print.

Senator Prowse: Were they actually roused?

The Chairman: Whether they were roused or whatever verb we choose to use, there was considerable interest in the issue. There is no doubt of that.

Mr. Holmes: Certainly the extent of interest one has to accept. I assume that international affairs generally, politics particularly, are not going to interest intensely the vast majority of the population. They like to have a general idea of what is going on.

The Chairman: I do not disagree, Mr. Holmes, but I think they could be interested through television. I think television could do much more in the area.

I would like to ask a related question on the public interest in international affairs. In talking about the coverage of international affairs across Canada, you tended to relate that coverage to the newspaper facilities in a particular community.

I am wondering have you, or are you able to discern any regional variance in interest in international affairs? In other words, are people in the west less interested than people in the Atlantic? Is that an unfair question?

Mr. Holmes: No. It is a very interesting one. I am a member of an institute which has branches from St. John's to Victoria. I have traveled back and forth quite a bit.

The reason my judgment is not very good is because those branches consist of the people in all those areas who are interested in international affairs or they would not be members. So I find St. John's and Victoria rather similar that way.

The Chairman: I see.

Mr. Holmes: Inevitably, there certainly are areas of Canada—I would not like to be too specific—where coverage by the local press of international affairs is not very extensive, or by the local radio or television.

Therefore, there really is not sufficient information to rouse interest. There is bound to be more interest in the major metropolitan centers, I think, simply because they get it all of the time in their newspapers and in a variety of television and radio programs.

Senator Prowse: Where they have a concentration of more people from the various areas, maybe.

Mr. Holmes: That is a very important element.

The Chairman: I just wonder if there is not a great interest in international affairs, which media are not helping. This is the point of your paper, of course.

Mr. Holmes: Yes.

The Chairman: Does anyone have any other questions? Senator McElman.

Senator McElman: I have one other question. I gathered from your comment about the debate or discussion in Canada of international affairs that you were not overly impressed with the coverage given of speakers. You spoke of headline reporting.

I gathered the impression as well that a speaker on occasion cannot recognize his own speech. Is this a general thing or is it not?

Mr. Holmes: I think it is more—well, to be personal, it happens more to people like myself who obviously do not rate the first-class correspondents. If you make a local speech, if you have somebody who has been taken off covering curling...

Senator Prowse: Or the police beat.

Mr. Holmes: I think curling ought not to be reported at all. You make a long speech in which you expose the complexities of international situations and the correspondent has to get a story. He finds in a subordinate clause something that sounds a little snappy, and that is it.

Then, quite frequently, the correspondent will do a rather conscientious job. Then somebody puts a headline on it which bears little or no relationship to the content. Or you have been rather careful to try to make a balanced statement and Canadian Press picks it up and

it goes from coast to coast and each newspaper will choose what it likes and put its own headlines on it. You get an anguished letter from a friend in Halifax who says, "You have gone over the deep end, off your head. Why are you saying such utter nonsense?"

Senator Prowse: The headline is on the qualifying phrase instead of the main statement?

Mr. Holmes: Yes.

Senator McElman: Now, what I want to get at is, it would seem we had better get our Canadians out of international capitals.

Mr. Holmes: Yes. There is one point, Senator, that might be relevant, the point I was going to make. I am speaking not so much as director of an institute, but as a Professor of International Relations in a university who has a good deal to do with students interested in this field looking for careers.

Some of them I direct towards foreign service; some towards academics. I should say I encourage. Not many of them feel there is much likelihood of their having a job as a foreign correspondent, although I think some are admirably qualified for it. How do you become a foreign correspondent?

I think most of them feel, they know perfectly well, that you have to start any business at the bottom and you have got to do the police beat. But the attraction, particularly the financial attractions, that seem to be available to young men setting out in this exceedingly important career—it is one of the great professions—are not great.

I have seen cases where young men were diverted into other things because they could not possibly exist at the level.

Now, in one case, I remember trying to say to a young man, "Well, look, if you think not of the salary, but as an apprenticeship; if you got a fellowship of this amount at the university, you probably would accept it. Think of it as a fellowship."

That probably was the only way I could persuade him. He would have been a first class correspondent.

Senator Prowse: The publisher would love you for that one.

May I ask one question? Oh, no; thank you.

The Chairman: Yes. Senator Bourque.

Senator Bourque: In the reporting of international affairs, the stuff we get from AP and

the various services tends to be hard-nosed news. I do not think, from what you said, this is what you are complaining about.

Would it be helpful if the Canadian Press were to set up an international background organization? In other words, what we are lacking really, is the background of what is happening. We get the news. You know there is a coup, but we never really get the background as to why the coup happened.

Maybe if the Canadian Press were set up with people who were not there just to get it now, and what happened yesterday, but people that would provide a service on background.

Let us take a specific thing, for example. We have trouble selling wheat. One of the things I have seen once only in the papers is the fact that the general practice in the European countries today is to subsidize their wheat producers and then to heavily tax our grains so they are paying probably four to five dollars a bushel, which raises the price of wheat.

We cannot possibly compete.

Now, I think if the story were to come across here, I think it would help us to understand our problem. If it were given publicity, I think it would help those countries to get a more realistic basis in the production of food for their people.

Now, do you think it would be practical, perhaps, for Canadian Press or for a few of the bigger dailies to get together and form another type of cooperative?

Mr. Holmes: That strikes me as a very interesting idea. If you could have a staff of considerable expertise to do the summary articles from time to time and make them available to the papers. This is the kind of thing which is done frequently.

Of course, some newspapers take articles of that kind from the Observer, the Economist, some other paper. What you have in mind and what I would like to see is somebody covering items of particular interest in Canada. I do not know whether they can afford it, but I would like to see them look at it.

The Chairman: We will have a taxi for you down at the Senate door, which means I can ask you one more question and you can still keep your appointment.

You said in your remarks—and please correct me if I am not quoting you correctly—

you were interested primarily in more and better coverage, "particularly better coverage."

Yet it seems to me most of your remarks deal with more coverage. I do not say this to be critical. I have two questions. In the area of better coverage specifically, the continuity of your remarks is on greater depth, and particularly you made an interesting suggestion for a national newspaper.

You carefully point out it was not a proposal; it was a suggestion. I am not sure I know what the difference is. I think it was an interesting idea.

Now, would it be fair to ask you in the moment or two left to expand upon that idea for a national newspaper, particularly as it related to international affairs, and then secondly, aside from this better coverage in terms of depth, would you care to speak in terms of the calibre of the coverage we do have?

Mr. Holmes: First of all on the question of more and better—I suppose I ought to be more specific. I would like to see more coverage in a good many newspapers, particularly the non-metropolitan newspapers. It seems to me they have less coverage than they ought to have and the citizens in those communities need; as for the metropolitan papers generally, I think I could strongly argue over the amount of space they actually devote to international affairs.

The way in which it might be better was perhaps in those various specific ways I suggested, more Canadian content in particular. That would be the thing I would suggest. Also perhaps less ad hoc daily news and more in the way of reflective articles, less attention perhaps to certain subjects like internal United States problems and more attention to other issues for the Canadian.

On the national newspaper, first of all, I certainly do not think it should be a government publication and I do not think any government has ever suggested it should be. There is no issue there.

But I wonder if a cooperative body like Canadian Press might begin by putting out a newspaper published in London, available on the stands in Europe, which would be enormously helpful to a vast number of Canadians who are either seasonably or otherwise in that part of the world.

If they were sent by air mail editions, they might be enormously helpful to Canadian missions abroad and elsewhere. I do not like to introduce what sounds like a plug, but my institute has found it necessary to produce a monthly summary of news having to do with international affairs. It is not a plug because every additional subscription we get costs us more money. If we can keep in business in spite of the Post Office, we will continue to provide that service.

It makes one aware of the difficulty of finding all of the news about Canadian foreign policy in the press.

As I was saying, if this national newspaper might start as a newspaper abroad—incidentally, I think one of the best newspapers in the world now is the Paris Herald Tribune. It seemed to have got much better since there ceased to be a Herald Tribune in New York. Well, if it did that, then it might well have some part of local circulation on a small scale and it would never make money I am sure.

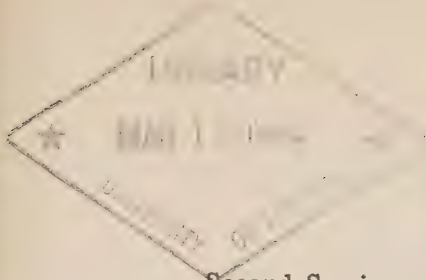
The Chairman: Do you want to meet your time deadline? I must say on behalf of the members of the committee, Mr. Holmes, that we are pleased indeed that you were able to find the time to be here.

This, for us, has been a terribly worthwhile presentation. We are very grateful. Thank you very much.

Mr. Holmes: May I apologize to the Senators. I thought I would be through at 11.00 and I made another appointment. Otherwise I would never have considered anything else.

The Chairman: It is our loss. Thank you.

The committee adjourned.



Second Session—Twenty-eighth Parliament

1969

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 5

TUESDAY, DECEMBER 16th, 1969.

WITNESSES:

Mr. Douglas Fisher, Broadcaster and Columnist for the *Toronto Telegram*; *K. C. Irving, Limited*; *The Saint John Telegraph-Journal* and *The Fredericton Gleaner*; Mr. K. C. Irving, President; Mr. Ralph Costello, President and Publisher of the *Saint John Telegraph-Journal*; Mr. Thomas Crowther, Vice-President and General Manager of the *Saint John Telegraph-Journal*; Mr. Fred Hazel, Editor of the *Saint John Telegraph-Journal*; Brigadier Michael Wardell, Publisher of *The Fredericton Gleaner*.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, *Chairman*

The Honourable L. P. Beaubien, *Deputy Chairman*

and Messrs.

Beaubien
Bourque
Davey
Everett
Hays

Langlois
Macdonald
(*Cape Breton*)
McElman
Petten
Prowse

Smith
Sparrow
Welch
White
Willis

(15 Members)

(Quorum 5)

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

"With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative, on division.”

Robert Fortier,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

TUESDAY, December 16th, 1969.

(5)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, *Chairman*; Everett, Macdonald (*Cape Breton*), McElman, Petten, Prowse and Smith—(7).

The following Senator, not a member of the committee, was present: Connolly (*Ottawa West*).

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witness was heard:

Mr. Douglas Fisher, Broadcaster and Columnist for The Toronto Telegram.

At 12.25 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Bourque, Everett, Macdonald (*Cape Breton*), McElman, Petten, Prowse and Smith—(8).

The following Senators, not members of the committee, were present: Grosart, Haig and Cameron.

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witnesses, representing K. C. Irving, Limited, The Saint John Telegraph-Journal and The Fredericton Gleaner, were heard;

Mr. K. C. Irving, President, K. C. Irving Limited;

Mr. Ralph Costello, President and Publisher of The Saint John Telegraph-Journal;

Mr. Thomas Crowther, Vice-President and General Manager of The Saint John Telegraph-Journal;

Mr. Fred Hazel, Editor of The Saint John Telegraph-Journal;

Brigadier Michael Wardell, Publisher of The Fredericton Gleaner.

At 6.40 p.m. the Committee adjourned to Wednesday, December 17, 1969, at 10.00 a.m.

ATTEST.

Gerard Lemire,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

**Held in the Parliament Buildings, Ottawa,
Ontario, on the 16th day of December,
1969, at 10:00 a.m.**

The Chairman: Honourable Senators, I have several announcements to make before we begin the session.

First of all, I would like to reconfirm that all hearings in this study will be open unless otherwise requested by the witnesses.

Secondly, on Friday morning you will recall when Mr. Holmes was here, we got into a discussion re CP representation at the United Nations. We have now spoken with Mr. Dauphinee of Canadian Press and he has advised us that the United Nations is covered by the New York office of Canadian Press. When the General Assembly and/or Security Council are in session there is a full-time correspondent assigned to cover it. Mr. Stephen Scott has the assignment this year. When the United Nations is not in session it is covered on a part-time basis only by Mr. Scott. I just thought we should have that on the record.

Thirdly, I would like to inform you the hearing scheduled for later this morning with Mr. Louis Martin, freelance writer and television commentator has been postponed until some time into the New Year.

This means, Honourable Senators, that you will have perhaps a longer opportunity than we had expected to discuss the presentation of this morning's witness, Mr. Douglas M. Fisher.

Mr. Fisher is an active member of the New Democratic Party. He is also a graduate of the University of Toronto, 1949, graduating from that institution in that year with other New Democrats like Mr. Reid Scott, Progressive Conservatives like the late George Hogan and the Ontario Minister of Mines, Mr. Alan Lawrence and Liberals like Miss Judy LaMarsh, Paul Hellyer, and myself.

None of these are the reasons why we have asked Mr. Fisher to appear before the Com-

mittee this morning. He is in fact, or he has in fact had and continues to have practical working experience in most branches of the mass media.

Secondly, I know to my certain knowledge that he has had and retains a life-long interest in the mass media and the problems of the media. I feel certain that he will have views that will interest us greatly.

Now, Mr. Fisher was kind enough to prepare a written brief for us. I am not at all certain whether many of the senators have had an opportunity of reading the brief although some of us have, but I suspect that most haven't. Therefore, I am going to suggest that you begin by making some kind of an oral statement based on your brief, or indeed you may read from it if you wish. Following that we would like to ask you some questions on the contents of your brief, on the things you don't say. Mr. Fisher.

Mr. Douglas Fisher: Well, Honourable Senators, it was my friend and acquaintance here who brought up the Victoria class of '49. It was one of my first encounters with censorship in which your Honourable Chairman figured.

I was the editor of the literary magazine at the university, and Mr. Davey was one of the active politicians in the College at the time. We had a grant from the council of this college assembly and a group—I might say we called them Tarzans then, that will give you some idea of the date—decided that our publication was too literary, too airy-fairy, too much poetry, too much radicalism, and didn't make the common man happy, and there were arguments that a comic book might be better. And so a motion was presented in the college assembly that our budget be reduced, I think, almost by 80 per cent, and as I remember your Chairman was one of the people—I don't know as a ploy or otherwise—who seems to be on the other side.

We had to drum up quite a bit of support in order to defeat that motion.

The Chairman: I was definitely on the other side.

Mr. Douglas Fisher: Well, Honourable Senators, what I wanted to do was to read the first page or so and then elaborate on some of the main points.

The Chairman: Would you read the conclusions as well?

Mr. Douglas Fisher: Yes.

Persons better known than I have expressed cynicism or skepticism about the purpose and efficacy of your enquiry. I am ambivalent towards it: attracted both by the importance of the subject and by a friendly acquaintance with your Chairman for 20 years; critical and without much hope because the Senate is dealing here with a powerful, generally rich establishment of owners and I, please forgive me, tend to identify you and your institution with this sort of establishment rather than with the ordinary people—the consumers, the objects of, the payers for the mass media.

But you don't want me badgering you and I am not deliberately seeking to be impolite. I have divided my presentation into three parts: the first and shortest covers my bonafides as a witness and the several principles or cherished ideas I hold regarding the field you are examining; the second is a list of topics on which I am not going into detail but where I would welcome questions, a chance "to take off," if you are interested in my opinion; the third section is a text containing arguments regarding several of the arguable subjects you are charged with examining and recommending upon. In the first skeleton of part 2—on the Press Gallery and Parliament—I have gone far in breaking the subject into topics but have not written a text. Why not? The subject is relatively an "insider's one." I am most ready to go into it if you wish.

The worth of my evidence may come, if at all, from the fact that I have been a Member of Parliament and that I have worked as a columnist for a daily paper and as a commentator and interviewer for several television enterprises. I would disavow any claim or accusation that I am a newspaper man or a reporter. I have had neither formal training nor apprenticeship in newspapers. Similarly, my work in television was not preceded by any formal training. I have had training and experience as a reference librarian and as a teacher of history in the secondary schools.

I will just move on to make the point that if I wanted to sum up the general ideas I have towards the media, the first one would be that our media should offer space and time and print to everyone that they possibly can who seeks to advance or attack a cause; and secondly the more diversity of outlets we have the better it is. Thirdly, my feeling—and this is something in which it seems to me, the media fall very short—the recognition that there are certain causes the people in the media business themselves don't particularly care for—and that puts an extra responsibility on them.

Another point that I hold cherished, and that is, I suppose, because of all the different groups I've ever worked with, I find politicians the pleasantest and the easiest and the most direct to deal with. This may seem surprising, but it's true. I have a very large concern about what seems to be happening in the political process, particularly to Parliament. I am concerned about the popular contempt for Parliament and the worship of executive action and bureaucratic and academic expertise.

Insofar as the media encourage the trend towards the unpopolarization, if you want, of Parliament, the contempt for it, politicians in Parliament and the Legislative Assembly, I think you and all the people who are concerned for politics have to consider what might be done to help it.

Another thing I worry about of course in connection with governments, is that they are too secretive and it's often very difficult to get information. Going through to sort of the key block, it seems to me that one encounters—you are not going to be able to escape from it and I haven't been able to escape from it and I take money from publishers—the fact that a publishing enterprise is a business, and a business designed to make a profit. It also has a very large public responsibility, if it's worth its salt, to get into the contest between the profit motives and the need to be as open as possible in terms of the kind of things that are printed and the amount of things that are printed in the news and the non-commercial time, depending on which media it is. I say in the foreseeable future we are not going to lose this split created by the different pulls of the imperative—that a business operation make a profit and the public's right to expect from the media, other contributions, which often are costly or relatively unremunerative. I make a reference here to the Canadian Newspapers Publisher's Association. Any of

you can get the books. Interestingly enough, they have been keeping the history for a very long time. It is a very dull history but you can find it largely in two volumes. One published a long time ago and one, it seems to me, that was put out about ten years ago.

This is the basis for my remarks that we should give the publishers credit. They have never, according to their record, concealed the fact that they were an interested group lobbying for such things as protection of air rates and subsidies, and on tariff items and any other items that would seem to strike at the profit side and the business side of their investment.

If I have any ideal, it is the ideal that goes back, you know, to classical times, the idea of a forum and that there should be a opportunity for every kind of voice and face and pen to be heard and seen within that forum.

In part 2 where I get into the topics for questions, if you are interested, I have broken down Press Gallery and Parliament under a number of headings, some of which are obvious, and some of which may be a bit obscure. I would be glad to touch on any of them. I know—and this may be a wrong emphasis on your part, but I know senators as politicians, you are fascinated by the people who work for radio, television and newspapers, and the Press Gallery, and how they report and the reason I have so many headings here is because of this.

The next question I offer for questioning deals with the forces of metropolitanism. It seems to me that this is really shaping the media today and sort of indicating the future, and I have touched on a number of headings there—what seems to be developing and what the trends of metropolitanism seem to mean. The next section, in which I have raised a few points, has to do with the role of the school of journalism.

I have put in here two points at the end under part 2 where I would like to make some comments. One is the absolute imperative need that the CBC, CTV and the local TV stations continue to make even more of a contribution to public affairs. Finally, I wanted to suggest to you, from a couple of visits to Sweden, that you might look at two developments there that I don't think could be copied here, where the situation is different, but we might be able to come up with some alternatives fired by the Swedish example. One is the tri-party responsibility shared by publishers, editors and reporters within a

press council and the other is the new development which is just taking shape now, and that is the appointment of a press ombudsman to whom people can take their complaints, the personal complaints they have, about the way they have been treated in the press.

Part 3 is my text on the concentration of economic power in Canadian newspapers and I suppose if there are any to change which I am asking you to take a look at, it's Thomson and F. P. Publications. Thomson, because of what I think that the performance of it.

If I might just digress for a moment, I always remember my first experience with the Thomson papers was in my own constituency when I was first a candidate. I was running against Mr. C. D. Howe and it was a very exciting campaign. Not just because it happened to end in an upset, but because there was a tremendous interest in it. There were dozens of people coming in from outside, the CBC, and Toronto papers, the Winnipeg papers, and a really great interest in it. During that election campaign—the only one of my meetings where I gave any kind of a performance—I always remember once I spoke at a union hall to a group of around four hundred people, a very lively meeting. There was a representative of the Liberal candidate and the Conservative candidate was there and again we got no press coverage and yet there were three Toronto reporters there.

Now, my point is, we had a Thomson paper in Port Arthur and the only meeting of mine that was covered, was covered by a young lad who the year before, when I was teaching high school, I had failed in Grade 9 English. That probably put a chip on my shoulder.

I might say in passing that after that I established a couple of contacts with Mr. Thomson and later talked to him as Lord Thomson and I have always found him one of the most genuinely likeable men I have ever encountered. He was always terribly candid and frank and I have described in here one of the examples of his candor. He just devastated me when I made the point that I thought the people in the Lakehead, because of the great interest they had in federal politics, might be interested in another column. I suggested my own and of course that might have seemed selfish but I also suggested a couple of other people who were quite well known in the column business. I remember his answer—"Frankly, what would be the point of it? It wouldn't sell one more paper in the

market area." He was right in this and because there is no real competition in the market area and I suppose given the kind of circulation coverage, they have saturation, but it is a point of view.

One of the points I make here is that there is no clear standard, as a general political thought or law in Canada, about what is too much concentration in the media. From the examples I engendered—one investigation into the situation when Thomson bought the Fort William paper—it became clear there that the standards, that the Combines people were looking at, were really business standards. I mean that was or seemed to be the priority rather than the other standard that I talked to you about, about the service to the public and the values of the diversity of expression. I make the point that neither the BBG nor the CRTC have really been definitive in this area. You, it seems to me in your recommendations, will have to examine very closely what seem to be the trends of their thinking and possibly have long discussions with them about it.

I give some examples from the United States to indicate the potential power of the conglomerates or of mass-ownership and I am sure your Committee will also recommend to you to look at what is happening in West Germany with the Springer interest. This is where you have almost a crisis at the present time because of the fact of this one very large ownership of magazines, broadcasting and newspapers. I go into the question about how far Canada is away from situations like this—well, when I looked at the advance that Southam and F.P. in particular have made, and when I remember the kind of campaign that F.P. particularly—it seemed to me engendered out of the Winnipeg Free Press—seem to carry on, I wonder how much further we can allow this extension.

I happen to be associated in another way with Mr. Max Bell, who I suppose is the senior person involved in this in the F.P. business I know he has very wide business interests in Canadian Pacific, in the oil industry, and I am not suggesting here that Mr. Bell would let that effect the kind of instruction or advice or decision he would make in relation to the operation of F.P. I really do think that the very fact that the people who work under him, particularly at the executive level, are aware of those holdings would have an influence, and I certainly wouldn't like to see them extended any further.

The other thing I go into in the paper is inspired really by Mr. John Porter's chapter in the Vertical Mosaic on the mass media. The one point I make—and I may be accused of flippancy here—and I don't make it to denigrate the Brits, as I call them, but it just is a simple fact—that if you just look around you in the press, in radio and in television, particularly in television and the press, there do seem to be, both at the reporting and editing level, almost an inordinate number of people who learned their craft in the British manner. So when I use the phrase "the host of plummy-voiced Brits who work for the CBC news and public affairs", I just want to make you conscious of the fact that they are at the back of a lot of thought in the Canadian media. They are people who have not grown up within the Canadian tradition of schooling and so on, and that, I think, fits into the point that Porter makes about the British charter group and the familiar tradition in publishing.

I also touch on this lack of professionalism within journalism. I am not saying here that there aren't excellent reporters. There are a lot of them who have a code that is, in moral terms, excellent, although they would be embarrassed to have it put that way. My point is that there is really little of what I might call professionalism in the field as a whole. I try to explain why this is and some of the difficulties. I go into the question as to the amount of money newspapers spend on the news side of things. I suppose this is figured as much as any, to be definitive by the news that Mr. Charles Lynch was optimistically telling you last week, about how wonderful the amounts of money have been that have flowed from Southam in order to produce their newspapers. We can touch on that if you want to come back to the question of the Press Gallery in Parliament.

I go into the fact that very few of our papers seem to have the number of reporters and the kind of staff that will enable them to do investigative reporting. I give you the example of the Globe's handling of the drug lobby in some detail stemming, from all of things, a masters thesis at university. This is one area, in which it seems to me, although there are some honourable exceptions, in that there are some recent developments in both Windsor and Montreal for the two Stars, which indicate that there are two papers who are going to get into this investigative reporting in depth, in a much more serious way than they have before and many of the other

papers have. I touch on this section around page 18 or 19 on the Thomson operation and the effect it seems to have on small town newspapers and small city newspapers and I make a suggestion that Thomson's might work with some of the community colleges and small college schools of journalism that are developing.

Then, I touch on the development in France, in particular the idea of editorial staff groups—that is journalists themselves sharing in the operation and determination of policy in newspapers. I think most of you know Servan-Schreiber as the author of a book that has caused a great deal of stir. One of the most intriguing parts in it, is a couple of very flattering pages he has about our present Prime Minister as a new and significant force. That seems to me something that I don't even see in the embryo now; but if we had a couple of magnanimous publishers, people who were real philanthropists, it might open up a very interesting development in Canada.

The conclusions that I have given, Senator Davey has asked me to read. I will quite frankly acknowledge that the conclusions in several cases are not supported in the brief by long evidence and I can just only apologize to you. I just didn't get the time to make the case.

"No. 1. Strong encouragement for the establishment of a national media council, perhaps with an establishing grant from the department of the Secretary of State, then to be financed by contributions from publishers, editors, journalists, etc. The council should be the agency to which any citizen or group which is agrieved at his or its treatment could make a complaint and have it investigated and reported upon publicly. Needless to say, the coterminus establishment of regional and local councils would support and fill in the gaps in the work of the national media council.

"2. That you draft with a view to Government action a policy setting out the limits on concentration of ownership and cross-media ownership and consolidation. At the least, this should require a public examination of all extensions of ownership by chains and conglomerates, considering the public responsibility factor as well as the economic factors before such deals are consummated. Ideally, this should block further concentration; at the

minimum it should give us commitments and undertakings from the swallowers.

"3. That the Committee publish figures showing the profits of sample media enterprises, along with an analysis of the scale and percentage of spending on editorial and reporting costs, with a view to suggesting guidelines of what should be the minimum "plough-back" from revenue into the news services."

I think with the research staff that you have and along these lines that they are going if you don't come up with this I would be very disappointed.

"4. That the Committee recommend set requirements for a register of lobbyists working on the federal government and its agencies; that there should be penalties for non-registration and some formal recognition of those lobbies which register.

"5. That postal charges to newspapers and periodicals be substantially reduced as part of a conscious national policy to encourage communication in the print media. Past governments have recognized the importance of subsidizing communications with such undertakings as the CBC and there is the built-in support for passenger services which are uneconomic.

"6. That you request the government to adopt an information policy similar to that of Sweden which would place the onus on government to justify secrecy over material whereas all else should be open to the press and to the public.

"7. That the Canadian press inform the Secretary of State whenever it receives a request for its services from a new entrepreneur in the press field, and that the Secretary of State offer subsidies for a limited period to such a new operation as an incentive to encourage new ventures. Further, that the CP offer a more flexible service for weekly and semi-weekly papers at a minimal cost.

"8. That the program of the Secretary of State arising from the recommendations of the B & B Commission to encourage study and teaching in the other language be extended to support the interpretation of a French Canada by French Canadians in the English-language media and vice-versa."

I think that would be almost as important as some of the teaching programs that are envisaged under this.

"9. That the Speakers of the House and Senate, the members of the Committee on Internal Economy, and your Committee meet for a discussion on how open the use of the facilities of the Press Gallery should be ideally, in relation to present and future optimal facilities; and that when some guidelines have been established they be brought for discussion to the executives of the Press Gallery Association.

"10. That in the developing use of research staff in both the Library of Parliament and in the Parliamentary parties a place be found on a rotating basis for editors from smaller papers without their own Parliamentary correspondents.

"11. That the Committee underline the importance of the continuation and improvement of CBC news and public affairs as an essential and priority item in Ottawa and especially in the provincial capitals where, in my opinion, press coverage tends to be weaker.

The Chairman: Thank you, Mr. Fisher.

Senator Petten: Mr. Fisher, are you a Socialist?

The Chairman: That is a good question. Do you consider yourself a Socialist?

Mr. Douglas Fisher: Well, if you would let me define it, I would say yes, I consider myself a Socialist, but that doesn't mean I subscribe to the idea that everything should be nationalized as in many of the older definitions of Socialism.

Senator Petten: Well, as a Socialist, of your kind of Socialism, would you be in favour of some form of public ownership in some sections of the economy and would this extend to ownership of newspapers and magazines or are you satisfied to leave them in the hands of private owners without restrictions?

Mr. Douglas Fisher: In the main, insofar as the print media is concerned, I would be very wary about government publications of a mass kind—except to form or fulfil a specific service. I am thinking of a magazine such as *North*, or government publications such as that, but on the mass basis, no.

Senator Petten: On foreign ownership of newspapers and magazines—it is now restrict-

ed by a tax law. Do you consider this restriction a limitation of press freedom?

Mr. Douglas Fisher: No, I don't. I spoke enough on that when I was in the House and legislation was going through. I always felt it was the compensation Mr. Gordon made for Canadianizing *Time* and *Readers' Digest* and I was against that one, that is, Canadianizing *Time* and *Readers' Digest*, and very strongly for the other.

Senator Petten: Well, is it possible to restrict private ownership of newspapers and magazines? For example, to prevent further expansion of the chains and groups without limiting the freedom of the press.

Mr. Douglas Fisher: Certainly. I think you can do it. What it does—and I think I make the case that what it does do—is limit press profitability and give you a peculiar kind of private enterprise investment that is almost a unique kind. It seems to me that this is the choice which should be before the publishers and the entrepreneurs—that they realize that they are in a unique kind of enterprise, with a public responsibility that I don't think evolves upon most people in other private enterprises, particularly in the name of nationalism—and that is why I was so strongly for the Gordon changes. I can see if you are a publisher and you have something that looks as though it's worth five million dollars, if you were selling it and if there were American bids and American investment coming in that would increase the value, as a businessman you would want that. I don't blame the publishers for wanting that but you have to look at the value of keeping the means of communication in control of Canadians. It seems to me that's the kind of price that people who are in this form of operation have to be prepared to pay. I can only say with the success and extension of so many of the publishers or publishing enterprises that that particular limitation, I don't think has pinched or is likely to pinch, except in terms of maybe really large bonanzas.

Senator McElman: Are there extensions of the current law to disregard that you would suggest?

Mr. Douglas Fisher: Well, not really. I make the point that we haven't got a definitive policy really in terms of broadcasting and broadcasting stations—that is within the Canadian framework—although the CRTC has moved in Windsor as you know and in

other places to Canadianize the operations that do exist. You know the limitations that exist on the scale of foreign investment. I don't know whether specifically these need to be tightened up but I am not worried about Granada having 25 per cent say of the operation that I work for, but I wouldn't like to see Granada have the effective controlling interest.

The Chairman: Would you make a comment on *Time* and *Readers' Digest*? You say they have been Canadianized. Do you think that process has been completed?

Mr. Douglas Fisher: No. I think, Senator, you are being ironical. The canadianization was to meet—as you know, the Liberal Government back in the '50's introduced legislation and there was the fight back and forth. That was one of the great lobbies—I might point out to you one of the wonderful lobbies—and Mr. Zimmerman of the *Reader's Digest* is the most effective lobbyist I have ever met, with possibly the exception of Dave Golden, who as you know now again for the third time is a Deputy Minister, and Mr. Farrell who is now in Windsor; and Mr. Frank Walker of the *Montreal Star* did a magnificent job and occasionally, so did the *Toronto Star* and the executives of *Maclean's*, when making forays into Ottawa. That is where I first met Ralph Cowan, as a matter of fact. That was a very lively lobby and the point was, and I think it has been made very clearly by Mr. Gordon that the reason the government canadianized *Time* and *Reader's Digest* was because of fear of the influence of Henry Luce in the White House. I think you should really consider having Mr. Gordon here as a witness on this point. I think he would be much more informed on it than I am. I look upon it as one of the saddest things that has happened in the past number of years.

The Chairman: Do you read *Time* every week?

Mr. Douglas Fisher: No, I don't.

Senator Petten: In your opinion is the press and broadcasting doing an adequate job in informing the public of the activities of the Government and the political issues?

Mr. Douglas Fisher: That is a pretty broad question. I don't think the situation is hopeless. I think in some places it is very good. I think in some of the larger cities where a citizen has an opportunity—not all of them

are going to take it, but where they have the opportunity of excellent libraries and a choice of several newspapers, a number of radio stations and a couple of television networks, I think the uninformed citizen is to a degree his own victim of inertia; but the picture isn't as good all the way across the board and right across the country. As someone who is a representative of peripheral and hinterland areas, it can sometimes be very grim. It is terribly hard to get information and a variety of information.

Senator Langlois: I didn't think you had such a high opinion of Toronto as you have?

Mr. Douglas Fisher: I think it is one of the interesting places in the country. May I make the point here that it is the one place where we have three newspapers competing fairly hard. I don't only mean competing in the market sense, but also in terms of chasing each other, watching each other, swiping each other's ploys and it is sort of a cross-fertilization which I think is very effective. I think the metropolitan area gains from this.

The Chairman: It's competition?

Mr. Douglas Fisher: Yes.

Senator Everett: Mr. Fisher, Allen Drurie wrote a ponderous series on Washington in which I think he tries to make the point that there is some sort of dove hierarchy in the Washington press that by a process of osmosis is passed down to the working reporter and working commentator. I was in the United States when Mr. Nixon made his famous TV message on Viet Nam and I made a point of flipping from channel to channel. There really was sort of an eerie sameness about the comments of people like Smith and Lawrence Reynolds and Cronkite. So the question I ask you, which you have already referred to when you referred to the Dexter-Fraser tendency—I assume that was what you were talking about there—is there in Canada and especially in the Press Gallery, hierarchy that has a view and by one means or another imposes this view on the working press?

Mr. Douglas Fisher: That really requires a pretty long answer. I mentioned the Dexter-Fraser tendency because it might be invidious to mention the latter day Dexters and Frasers. When I came to Ottawa in 1957—I had followed them fairly closely before I got here—Dexter and Fraser were the big men. They had kind of a semi-official relationship

somehow with the Administration, and they weren't the kind of men who somehow produced scoops for inside stories of breaking things; but they tended by their abilities and the platforms they had to be recognized as the men who somehow put forward the gist of what seemed to be the Government or the establishment view of the times. I thought, and still think, that this tends to be a tendency that is noticed in both the Conservative and present Liberal administration. The point I was trying to make here was really not along the line you are going, but it was that governments here like to have a few intelligent journalists—I almost put intelligent in quotes—responsible journalists, with whom they can communicate in sort of a semi-private way. These people will in a sense really put over to the public their influence and will also influence the other people reporting on politics who respect them for their years and their skill.

This is in a sense favourable to the Government. They are really in a sense establishment people and I think if you remember the Diefenbaker years here, there were a couple of people in the press who were tended to be looked upon—I don't mean nastily—as people who had a close relationship to the Prime Minister and the cabinet of the day, so in a way you can really find any trend of Government thinking and intentions through the kind of material that they wrote.

It seems to me that you are unlikely to get away from this. The one assurance I give you is that at least since 1957 and the new administration, these people have never had an inordinate influence, that I can see, upon their colleagues in the Press Gallery, but it seems to me the Government is always trying—or certain people in the Government, usually around the Prime Minister's office and perhaps the Prime Minister himself are usually trying—to seek a rapport, if you want, with this kind of person. That was my reference to the Dexter-Fraser tendency in the Gallery.

Usually, the people who emerge with this kind of role are just like Mr. Dexter and Mr. Fraser—extremely capable writers, extremely well versed in politics and the conditions of the country and the choices you know are usually quite understandable. I say choices—I don't mean to say that there is anything as calculated as a Prime Minister's staff sitting down and saying "Alright, now who is it that we are going to line up to make sure that our

side gets well told and our directions get well expressed", but it happens and it is so.

I might also say that I haven't noticed in the Gallery and this is very much a flip opinion—I haven't noticed that there has been any—particularly since the disappearance of the Fraser magic which took place very quickly after 1957—I haven't noticed an inordinate respect amongst the other practitioners in the Press Gallery for these luminaries who seem to be au courant and popular at times.

Senator Everett: I can understand that any government would have a rapport with certain newsmen if for no other reason than to get its story across in the way it wanted to do it. My question referred more to a sinister aspect.

Mr. Douglas Fisher: I think you have to remember that newspaper men in Washington tend to act as brokers in the political process. They are almost the fourth part of the American system and they have, it seems to me, much more power and influence; and also they can perform a much greater service in a sense, to the constituents generally than you can in our more secretive and closed system.

Once for the entertainment of the Canadian managing editors, I took the membership of the Press Gallery—this was around 1962—and classified them according to my hunch as to whether they were Liberals, Conservatives, CCF'ers as it was at the time, or sort of erratic examples on either fringe. It was the Liberal group that tended to be the largest but there was a pretty good split across the way.

The one point that I would want to make here, I have never found and I don't think anybody in the Gallery can make this accusation to me, that in the ordinary relationships around the Gallery, what socializing there may tend to be, I have never heard anyone advancing or trying to force another colleague—colleague within the working sense—to choose whether they be doves or hawks.

Now, if I wanted to select one hawk, he is obvious, he writes for the same paper that I do, Mr. Lubor Zink. I have never seen Lubor trying to extend any kind of an influence as a hawk sort of personally nor have I seen other people trying in a sense to convert him the other way. I don't think this is true. I think if you wanted to define the majority of the people in the Press Gallery, I would think they would define themselves as being probably small—l liberals—that is a pretty hazy

and indefinite thing. No, I can't see that policy at all as being parallel here to what you may think you see in Washington.

The Chairman: I would like to ask you a question. I quite appreciate and I made quite clear at the outset that you are not here as a representative of the New Democratic Party but I think it a natural question to ask if you think that the New Democratic Party, all factors considered, is fairly and adequately treated and covered by the press of Canada?

Mr. Douglas Fisher: Not badly. It's got a better deal—I have written it so there's no use hanging back. It seems to me that when the New Democratic Party was created with the encouragement and the assistance of the Canadian Labour Congress that this had consequences in terms of the fairness and extension of treatment that it got in the media. I make this point recognizing that the majority of publishers and probably managing editors are not enthusiasts of either the Canadian Labour Congress, the Canadian trade labour movement or the New Democratic Party. It seems to me that that shadow of power that emerged as being behind the New Democratic Party, made it a little bit more respected. So as a consequence the party has had I think fairer, more diverse coverage.

I may be overemphasizing this, because there are a number of other trends taking place that are involved in this. One is, we have had a scrambling time, particularly in Federal politics, with minority government and a diversity of approach. It's quite clear that out in the country we no longer have the traditional safe seats. We have no longer the majority of contests—the simple two-party contests, and I think this explains the fact that the party is getting more coverage and better coverage than it did.

Now, if you wanted me to say from my personal examples—I mentioned the anecdotes about the Thomson newspapers—it's quite noticeable to me that in the 12 years since I first got involved in politics, the Thomson papers have—I don't know whether as a result of instructions or just say a breath of fresh air that took over—been tending to give a fairer coverage to left-wing parties than it did in 1957.

I would say at the present time, I don't think the New Democratic Party has suffered badly from the amount of space that it gets and the fairness of interpretation in the news

columns. Of course, you can imagine you would have criticisms of much editorial comment.

The Chairman: You mentioned a few minutes ago, when you were talking to Senator Everett, the Dexter-Fraser type of luminaries and particularly some that tend to identify with the government party. Would it be fairer to say—and I ask that for information because I don't know what the answer is—would the opposition parties, whether it is the Liberals or Conservatives or the New Democratic Party, also have people in the Gallery with whom they tend to liaise to get their point of view across?

Mr. Douglas Fisher: Liaise is almost too hard a word for it. I don't know—there is an apathy developed but I would say to a degree, there are Conservatives who operate in the House and the Senate, who know that there are a few members in the Press Gallery who have a bit of a natural sympathy for them. I would say the same thing about the New Democrats, but please don't ask me to identify them.

The Chairman: No, that wasn't my next question. We have received as a committee representations from and we are going to be, I am sure, having representations from labour generally, complaining that labour coverage in the press of Canada is inadequate. Would you care to comment on that?

Mr. Douglas Fisher: Well, there is no question about it, it is inadequate. It just isn't thorough and it isn't exhaustive. We have a couple of, I think, good reporters. I think List as a labour reporter—not as an interpreter, but as a labour reporter—is thorough and he obviously has wonderful contacts. I remember a Federal Cabinet Minister swearing up and down that by God, he was going to find out who was feeding List information because his stories were so thorough and accurate. So I went over with him, the only places the stories could have come from and it boiled down to the Deputy Minister and two assistant Deputy Ministers. He said, "Yes, it has to be one of those three but which one?" I left it up to him to find out.

List is a good example. The *Star* has hired Ed Finn—I think on a permanent basis although I'm not sure—and he is both from within the labour movement and sympathetic to it, and very knowledgeable. The *Free Press* has a man by the name of Dudley Magnus

who I think gives that particular paper—I know a lot of people in labour disagree with some of the interpretation that he gives—but certainly it is a paper that is better served than most in terms of covering and following labour affairs.

In the main, I would just also have to mention Evelyn Dumas who is an outstanding example of someone who is knowledgeable and informed in the field and considering some of the other things she writes, she obviously has a political attitude which is extremely fair.

I would say labour has a bit of a complaint. I think you will find if you talk to labour people that one of the things that disturbs them—this also is in connection with juvenile and other things—that the contravertial part, the strikes, the arguments, the dissension in relation to labour's role, tends to be stressed, to be made the headlines, and not enough time and detail is taken with the reasons for it, the explanations.

Senator Connolly: I would like just to go back to the question again of the Dexter-Fraser axis and ask Mr. Fraser this. I am really thinking farther back than that, even to the Depoe days, where the press, at least elements in the press, not only had very good connections with the seats of power but actually, I would think, had some influence upon the people who were exercising that power. Certainly on the policy. I think this was a high-level type of operation. Do you think that that kind of thing exists today?

Mr. Douglas Fisher: No, not nearly as much. I think, no. I can think of other examples in the past where the rapport was much closer and here I am sort of taking off. There seems to be an attitude on the part of editors. People like Claude Ryan in the French language newspapers still retain a lot of this. I think Mr. Ryan, and he acknowledged this once in a speech that he gave, it seems to me, at York University a couple of years ago, likes to be in contact with what's going on. He likes to have politicians visit him. He likes to talk over the phone with Premiers and Cabinet Ministers, and Prime Ministers as I think do most publishers. I know my publisher, as I remember, the last time I talked with him which was more than a year and a half ago, was delighted because he had an invitation along with some others to visit 24 Sussex Drive. It was quite obvious from the exuberance that he was looking forward to it. This

wasn't the kind of regular thing, but it was sort of a special treat. I think probably that is the situation today.

I just haven't been able to distinguish any grave influence on the part of the great editorial writers or powerful publishers in an intimate way with the people in Federal politics and in the seats of power in the last decade. Now, maybe I am just missing it, but I don't see it there in the way that Depoe had his relationship with MacKenzie King or that Dexter had.

Senator Connolly: Or Gordon?

Mr. Douglas Fisher: Yes.

Senator Connolly: Because Depoe was close to Gordon as well.

Mr. Douglas Fisher: Yes.

Senator Connolly: Well, would you say that it was a loss to the Cabinet Minister or the Prime Minister concerned or is it a loss to the newspaper people, to the writers?

Mr. Douglas Fisher: Well, I think that the importance of the editorial page is diminished. Secondly, the input of expertise of the bureaucracy of the academic world is so much more important. It would be pretty hard to find an editor in Canada today who can do much more in a sense, than interpret his region compare this with the kind of knowledge and expertise that an economist or even a political scientists would bring in terms of theory and trends and so on.

I would imagine that the greatest usefulness that editors and publishers could be to Prime Ministers, for example, is just reporting on trends and feelings in their own areas as they get it. Even here I doubt whether the advice of the editor of the *Winnipeg Free Press* would be any more valuable than the advice of an experienced taxi driver as he trundles people around from the legislative building there.

Senator Prowse: Maybe less.

Mr. Douglas Fisher: Maybe less. That is your opinion.

Senator McElman: Mr. Fisher, you have commented on the element of fairness in reporting the CLC as well as Canadian labour movement. As one, who many of us regard as having a better than the average chance of becoming the leader of the NDP in your current capacity, do you find any difficulty in

your column being quite objective and fair to representatives or philosophies of other parties?

Mr. Douglas Fisher: Well, I think you have to understand that I work for two employers in a sense. Mr. Griffiths of Bushnell Television and Mr. John Bassett of the *Toronto Telegram*.

We have a word-of-mouth contract in each case and the understanding is I say or write what I want to say and they both know what my party politics are. Neither one has ever—Mr. Bassett killed one column I think and I have been writing for a number of years.

If you would like to know what the column was, it was a column interview I had with Mr. Jack Pickersgill back in the early '60's, when Mr. Pickersgill took off on John Diefenbaker and I took it down practically word for word. It was wonderful stuff. I didn't have to write a thing because it just wrote itself. I sent it in and at that time Mr. Bassett decided that that column shouldn't run. The understanding was that he couldn't edit and he couldn't take out any part of anything that I wrote, but he could kill the column.

He apologized to me about that a year later and since then I have only had one thing taken out that I was worked-up about. It had nothing to do with any partisan thing. It had to do about a comment I had about a prominent business figure and I settled that so they would know. That is the point.

With Mr. Griffiths and CJOH, he has sometimes told me, "What is the matter with you? You are not timid and forceful enough in expressing your party prejudices." So I assume this is part of the forum idea. I think this is what Mr. Bassett has been trying to create in the *Toronto Telegram*—the idea of the forum that would be taken as read, that certain people such as Mr. Ron Haggart and myself, Lubor Zink or even MacKenzie Porter, have certain views that people know and that is what they are worth.

Now, I have talked about this to people like Laurier Lapierre and Gerard Pelletier who as you know wrote a column for a time after he came into politics. There is a problem when you are a politician and a writer as to whether you are pulling punches. There is no question about it—you do have to write about some things and not write about others. Otherwise you can destroy yourself with your colleagues and associates. If you want to see the best expression of violent opinion on this, I think

you should contact Mr. John Munro, who when he was a Parliamentary Secretary and I was still in the House of Commons and writing a column, delivered a long speech about this vicious weasel in our midst.

There is a problem here, but my one assumption is that you won't be read and the paper won't carry you and the other assumption is that the television station won't keep using you, if you are biased and your prejudices are expressed so outrageously and meanly that you get peoples' backs up. Particularly on television, I think more than newspapers, the public sense of fairness is very, very close to the service. It is just like a nerve end and it is one media even more than the newspapers where, if you keep hatcheting away, just following an outrageous party line or a determined party line without seeing good or worth in contributions that people in politics and other parties are making, you are dead. You don't exist. But the problem will always be there.

We tend to be fairly timid in this country, compared to Britain, in terms of the people who are active in politics and writing I think Elmore Philpott was an example before I got involved in it. Now we have Senator Nichol and I suppose you have to consider Dalton Camp a politician still. He is writing. Mr. Joe Greene took a try at it. I see a man sitting at the back of the room who took a shot at it, Mr. Frank McGee. I think one of the things we could really welcome is more writing by politicians on a regular basis for the public in the mass media.

One of the dispiriting things, if you want to think about Canadian politics in relation to both American and British politics—although there have been some recent trends that are encouraging, particularly in the book publishing area,—is, if you go into the library, go through the catalogues and try to make up a bibliography of articles written by politicians, you come up with a very, very leagre list. I think the trend to politicians or people in party politics writing regularly for popular exposition and their products being bought by the media is excellent. Of course, I have to think it is excellent I suppose because I am involved in it, but I think it is good.

Senator Connolly: Well, in Britain it has to be done to supplement the inadequate remuneration that a member gets?

Mr. Douglas Fisher: Well, that is how I got into it originally. I was going in the hole.

Almost every month I am approached by members of Parliament who want to get into this field and ask me about the prospects. That is always the reason. As a matter of fact I had one approach me last night who I think, obviously from his past, would make a very successful columnist or a regular writer for a newspaper. He said "it looks to me that I am losing three or four thousand dollars a year. I have eaten up my bank account," and he said, "Before I slap another mortgage on my house I have got to find some way of getting more money."

I might also mention and I drew this across here under the topics for questioning that newspapermen I think in many cases are inadequately paid. You have to look at the Gallery and I think the top man there by my estimate makes between forty-five and fifty thousand dollars a year.

Senator Prowse: That is the total?

Mr. Douglas Fisher: That is total. He is operating in a couple of fields. I think there are quite a few down around the bottom—between seven or eight thousand dollars a year which isn't very much considering the responsibility and the intensity of the work. I would say the average income of the people in the Gallery—that the average would be somewhere between eleven and thirteen thousand dollars and most of them earning that really have to dig for it.

Quite often, if they want to get more than that, it means overtime or it means stringing for another paper or doing extra work.

Senator Connolly: May I just follow this up?

The Chairman: Well, Senator McElman, do you have any further questions?

Senator Connolly: Well, it is a supplementary question.

The Chairman: All right, go ahead please.

Senator Connolly: You talk about Members of Parliament writing. I think it might be interesting to hear a word from you about the contrast between Members of Parliament writing and Members of Parliament speaking either on radio or television or even on a public platform. I think writing requires a great deal more skill and a different type of skill and the Member of Parliament I think normally is more readily adaptable to the spoken word than he is to the written word.

Are there Members of Parliament do you think that have the capacity to write in the way the language should be used in an interesting and informative way?

Mr. Douglas Fisher: Yes, sure. I wouldn't say there is a great many of them but certainly there are some. There would be more than enough if some of the newspapers would go out and look for them. You mentioned the speaking thing. This is another point I wanted to raise because I am involved in it and I suppose it is a concession in a way. We have a rule about the CBC not paying politicians. They will send you a cheque when you do something for them but then they will tell you that they are not really sure whether you should cash it or not because it may be illegal. Well, I received a number of cheques when I was a Member of Parliament and quite frankly I told Miss LaMarsh when she was a Minister, and the thing blew up in the House, that I had cashed them. But I think it is a small thing that you should look at.

Senator Connolly: I will tell the Minister of Justice.

Mr. Douglas Fisher: No, I told my party colleagues what I was doing just in case the thing suddenly bounced I kept needing a couple of the Ministers privately to see whether they wanted to release this and I almost placed a question on the order paper that would have revealed it. I want to make the point to you that I wrote a scrip for example, for a programme on education for the CBC and the fee was five hundred dollars. I worked very hard at it for a time and then when I got the cheque with the little note saying maybe I better not cash it, well, I just decided right there that it was unfair. I think it is an unfair rule; but you could ask another former MP that has opinions on this and it might be useful if you want to take up this point.

Senator Connolly: Well, the whole question is the Senate and the House of Commons.

Mr. Douglas Fisher: Yes. Well, it is Miss Pauline Jewett. She has some opinions and experiences from the past in relation to this.

Senator Prowse: It is kind of the case where the Lord giveth and the Lord taketh away.

Mr. Douglas Fisher: Exactly.

Senator McElman: As one who has sat in the seat of an MP and also in the Gallery and with your intimate knowledge of what a trial it is for an MP on the remuneration he receives, can you give an opinion on why so many of the press, editors in particular, each time there is a reference to an increase in remuneration, get on their white charger and ridicule the proposition for an increase even though they know what the situation is?

Mr. Douglas Fisher: Well, I think it is partly their own low income. A man who is a pretty good hardworking reporter, who makes twelve of fifteen thousand dollars, sees a lot of MP's. As you know there are some good ones and some bad ones and he looks at the bad ones. A member of the Press Gallery just told me a week ago that he was outraged by this move that seems to be on now. You know, there is a lot of work going, ground work being done, to try and do something about the MP's. This particular reporter mentioned to me this particular horrible example of an MP who has been around here for ten or twelve years. For a number of reasons he does very little and he is very rarely here. He thought that this was just disgusting and of course I tend to prefer to think of the many other MP's who work very, very hard and who take their constituency duties and their party duties and their regional responsibilities very seriously. But you always have this.

I would say that much of this antipathy stems from the fact that they are in many ways not adequately paid themselves. Here you have to look at some of the reasons. You have the failure of the Guild to penetrate as widely and as deeply as they might have or could have if we had a more enlightened approach on the part of publishers.

You know Mr. Gilles Purcell retired last week and received accolades from editors and publishers right across the country. And I keep thinking of the way he put back Canadian journalism when he broke the organizational effort in the Canadian press away back in the early '50's. I think that was a crucial move.

There is a great tendency as I see it, and I am being very prejudiced and opinionated here, on the part of a lot of publishers who look at unions almost the way Noranda management has. For a number of reasons they have, in a sense, kept unions out and I think in some ways they pay the consequences. You have a tremendous flow out of reporting into other things. This is another thing I think you

should look at. The tremendous turnover there in the Press Gallery is because people are going out to other jobs.

I met a man last night whose writing I admire in one of the Toronto papers. I hadn't seen him before because he hadn't operated out of the Press Gallery. I said, "I haven't seen your copy lately," and he said, "Well, I am working in the Civil Service now in the Department of Communications". So we said, "Why" and he shrugged his shoulders and said, "Why else?"

This money, this income thing is I think very serious. The remuneration is not top-notch from many of the papers. I have the bit on the forces of metropolitanism in the metropolitan areas, where the union is in and has set the pace. In some case, as locally here between the *Citizen* and the *Journal*. The *Journal* always operates right under the umbrella of or parallel to the Guild contract over at the *Citizen*. That is fine in this kind of a competitive situation, but out in the smaller places, where you haven't got this kind of competition and the Guild is not there, you have a pretty low salary.

Senator MacDonald: How do you account for the fact that the Guild has such a difficulty in many respects? Practically all of these papers have a craft union.

Mr. Douglas Fisher: Well, first of all, a craft union got in very early. If you know the history, they were extremely well organized, they had a militancy and it seems to me that they genuinely were a craft union. The Guild moved into a field that is much looser and which publishers and editors considered much, much more theirs.

Senator MacDonald: Well, the individuals were more individualistically inclined.

Mr. Douglas Fisher: Well, that may be part of it, but I don't know a group of people say working in the *Star*, the *Telegram* or the *Globe* in Toronto who contain a greater amount of individualism. Yet the Guild is in there and the effects of its negotiations and contracts filter out across the country—although it certainly doesn't go very deep into a lot of places.

The other point I want to make to you is that the people in the Gallery, particularly the ones who work for the bigger papers, work extremely hard. Their hours are very long. They are always working under the

pressure of the phone call from the home office—the wisdom of the man there at the desk. It is a tough business and I don't think they get nearly the income that they should. This is one of the explanations that I have for the fact that so many of them disappear from here and go into other fields.

Senator MacDonald: Well, if they do, why don't they organize?

Mr. Douglas Fisher: Well, here again, I was referring to the Gallery. I should think there is a special intense situation here. I think the pace of the Gallery for many of the reporters from the bigger papers is far more intense than they are likely to get at home in their home offices.

Senator McElman: The reason I raised this matter about the editorial treatment of remuneration—The adversary system extends itself too in Parliament. So do you not think that what Parliamentarians often regard as unfair and perhaps tongue-in-cheek attacks of this type, on the times and remunerations suggested, that this leads to almost an adversary system between Parliament and the Press Gallery and reporters and so on generally, which has a serious effect perhaps on the free flow of information and sets up some of the attitudes as between Government, Parliament and the media that we all complain about and deplore. Is this not a contributing factor?

Mr. Douglas Fisher: I would think so. There is often a quiet desperation on the part of MP's and politicians, and Senators too for that matter, about the way they are treated and the attitude that so many people in the press and the editorial writers take towards them and their work. This is one of the things that concerns me very much, the tremendous drop in MP's prestige and the tendency to revere the senior official and the executive. I don't want you to think by this that I am terribly critical of the changes in structure and the build-up that Mr. Trudeau has made in changing his Cabinet, his party office and his own office. I think it was about time that was beefed up, but what I am worried about is that there isn't going to be a compensating build-up on the Parliamentary side of it to enable Parliamentarians both in committees and through an extension of committee power, but also with more facilities and more resources to, in a sense, compensate for this. I suppose there is a tendency to be more

respectful on the part of reporters and editors towards people who exercise power and have sort of a sign behind them—I mean a line of departmental officials and so on—then there is for the individual Member of Parliament or the Members of Parliament in a group, in a committee.

Senator MacDonald: On page 3, where you say you deplore that tendency to downgrade Parliament and further on down the page, in point number 3, you mention that “no institution, especially the newspapers and broadcasting stations, is above the most searching or irreverent or ridiculing criticism.”

Well, you ridicule us and isn't that downgrading in the long run?

Mr. Douglas Fisher: Yes, but I think at times the majesty and let us say the majestic nature of some of pronouncements that we get, particularly editorially, need a bit of ridicule but unfortunately there has been this tradition.

I know that I once wanted to make fun—because I disagreed with it—of a column that Mr. Peter Newman wrote in the *Toronto Star*. I had one hell of a time getting that column in because I had an argument with Mr. MacFarlane, who was then with the *Telegram*, about the fact that you didn't write about the other guy. You didn't mention him. That is putting it in its most simplest way. The point and the fact of the matter is we have very few forums of criticism of the press that are expressed in the press. I am thinking of the press in particular and one of the people who is sitting here, I suppose reporting on this hearing, Mr. Bain. I had a salutary experience when we went to a political party meeting here in Ottawa to talk about the press and we were just bowled over by the bitterness that came rolling—these were party workers—about the way his paper or my paper or other papers treated the politicians. Their point really was made repeatedly that you people are not above criticism and that there should be more criticism and assessments of the work that you do, that the papers do.

My point is really that we have very little of this in the press.

Senator MacDonald: Well, you mentioned this about the press, but wouldn't the same thing apply to Parliament? If you ridicule Parliament aren't you bound to downgrade Parliament?

Mr. Douglas Fisher: Well, it seems to me that the one has been carried too far. I don't think any politician, including myself if I am in politics, is above criticism, needling, satire and ridicule. I think Canadian politicians have been pretty thick skinned; but I think you very rarely hear of a libel suit being initiated by Canadian politicians which it seems to me indicates either their thickness of skin...

Senator MacDonald: I was talking about Parliament as a whole, not of a specific politician, but I was speaking of Parliament as an institution.

Mr. Douglas Fisher: Yes, I would say that ridicule is occasionally useful to let the people within an institution know that it is not behaving well, that their standards are low.

Senator MacDonald: I don't want to belabour the point too much but it seems to me that in many, many cases you read "why doesn't Parliament get down to business and get home and stop doing this talking", and all this type of thing which I would think would have a tendency to downgrade Parliament.

Mr. Douglas Fisher: Yes, I think it does. I have been guilty of this myself. I can remember—I did a piece that led to a few speeches in the Senate about party bagmen in the Senate. It probably went too far in terms of fairness—but what I was trying to do was to highlight what I think maybe we should examine—the role that some Senators play that may not be good for the political process.

The Chairman: Senator McElman, were you through your line of questioning at this point?

Senator McElman: I wanted to ask a couple more questions.

The Chairman: Well, Senator McElman, with your permission, would you allow Senator Everett to ask a few questions? I know he has an appointment, and then we will come back to you.

Senator Everett: I do have several questions, Mr. Fisher, but I will confine myself to one area because of the time limitation, and that is to your reference on page 19 regarding journalist associations. Before I deal with that I would like to say, on page 13 in light of the fact that you may be a candidate in the federal by-election in Selkirk, how much I admire your disdain for your own sense of

political survival when you call a Southern Irish Nationalist like Shaun Herron a plummy-voiced Brit.

Mr. Douglas Fisher: Well, I was quite aware of this, but I really don't make that much distinction. He is a Brit in my terms. I would have liked to work in here my dismay at his plan to merge the Liberal and Conservative parties in Western Canada, but I can take that up again on the scene, some day.

Senator Everett: I am sure you will hear from him. These journalist associations seem to me to have two possibilities. One is in reference to the participation that Claude Ryan talked about. He said that in chain ownership the chain should be required to involve the community in an ownership participation up to fifty per cent.

I noticed that the journalist associations seem to require a participation up to thirty-five per cent of the journalists that are involved. I would like you to comment, since I think you are opposed to chains, whether either of these methods would tend to solve the situation of the chain ownership as you see it, and if so, which one would do the better job?

Mr. Douglas Fisher: Well, except in French Canada, it seems to me we are a long way away from this. It looks much more possible there. There you have the unity of closely-knit people charged by nationalism and a developing sense of professionalism I suppose, because of the intimacy that has led to the moves that have taken place in Quebec.

The other thing is that in France where I have drawn the example, getting in and out of publishing seems to be so much more easy. Advertising isn't so important. The other great thing you need to launch a successful enterprise is the distribution system which isn't so costly or so difficult to introduce and sustain. So I really have to be fairly pessimistic unless, as I said, we have the kind of philanthropist approach that say created the *New York Times*.

Suppose Mr. Bell, just as an example, could in his sunset years get a golden vision in a sense, and turn over the opportunity to the people who worked—you know, the writers, and the editors of his papers, an opportunity, almost as a foundation, with a participation of this kind. I think it would be grand. It might be possible with the Toronto Star Foundation to make this kind of a move,

because of its particular structure. I don't know. I would tend to think that from our Canadian examples, we can see, that if this kind of thing develops, it almost has to be a form of altruism sparked by one or two wealthy men, rather than it emerging from a conscious man and a co-ordinated effort on the part of journalists themselves. It just seems to me a very long way away from that. And the other thing is...

Senator Everett: Let us deal with the question on a theoretical basis. Let us assume that there were publishers or chain owners or conglomerate owners who were willing to do something like this. Would it be a good thing generally and secondly, which would be better, the staff participation concept or the community participation concept?

Mr. Douglas Fisher: I would say the staff participation concept would be better to my mind because the community participation thing would be—oh, I think it would be just too difficult. Just too many pressures.

Senator Everett: We have had the Guild before us and they have talked about professionalism of the editorial writer or reporters. These journalist associations seem to be—as a matter of fact, they refer to a special professional status for journalists. One of the problems I see with the Guild is that it not only represents reporters but it also represents truck-drivers—anybody with a craft. So it is pretty hard to talk with them about professionalism; and yet they do talk about professionalism. Would we better off with a professional association like this journalist association?

Mr. Douglas Fisher: I would prefer that myself. I am a member of the Guild and of ACTRA. The Guild just organized two small units out at CJOH where I am working. They have not only organized the people in the newsroom—their certification is waiting and I hope they get it naturally—but they have also organized the script assistants. The role of the script assistant is distinct from that of the news writer or the reporter and I think it does make it awkward in terms of developing professionalism.

There is one other group I hope comes before you: that is this fraternity—I always forget their name.

The Chairman: They are coming.

Mr. Douglas Fisher: Well, they will give you some ideas. Now, mind you it is something stemming from the United States and Canadian nationalism, and that almost makes two strikes against them. I don't really know too much about them but that kind of an association—the professional journalist association is very worthwhile.

The Chairman: I might mention that tomorrow night we have the Association of English Media Journalists.

Senator Everett: I don't want to take up any more of your time, but just one last question. By your own rather refreshing admission you are not a properly trained journalist?

Mr. Douglas Fisher: That is right.

Senator Everett: Yet you have gone, I suppose, almost as close to the top in your profession as one can go. Is there a case, where we are talking about professional associations, for some sort of entry qualification or educational qualifications,—self policing by an association such as there is a legal profession, medical profession?

Mr. Douglas Fisher: I wouldn't like to see it in the foreseeable future, but it might emerge. The simple reality is that more and more, the people who are getting the jobs are coming out of the schools of journalism. That seems to be the trend and in the main I think you have to talk to editors and some of the people from those schools to really get an appreciation and it seems to me that this has resulted in some improvements in quality.

I have a hard time defining it, but at the same time I can think of examples of colleagues in the Press Gallery who haven't got much in the way of formal education. They are terrific. They are terrific reporters and also I can think of people, who have had no journalism training but have a good education in the arts or in economics, who are very good. I have thought about this a great deal because I was a librarian and it is one of the most difficult groups of people in which to develop a sense of professionalism. I worked very hard in lobbying and I had a private member's public bill to require that the Librarian of Parliament be a professional. Partly as a result of my lobby, at least I like to hope that, the Government did put in charge of the Library of Parliament a professional librarian. I think the consequences,

in terms of the vertical file, the greater services, definite attempts to go out and to be less passive and to offer Members of Parliament and Senators much more in the way or services, was the result of getting somebody with that kind of background, trained in the field. Yet, I am still not absolutely sure that librarianship is a profession in the sense that doctors and lawyers are.

There is a kind of—I hate to use the corny word brotherhood, but a fellow feeling, a fellowship on the part of reporters and editors as a result of the common conditions and the common pressures. That, it seems to me, could be much more developed and nipped and worked out to make—whether it be a profession or craft—a much greater contribution towards higher standards both of the people within the business and higher standards of the products which are produced.

I have to recognize that the ambition to write or the drive to write is a very wide one; it is very widely held. If you have ever taught High School as I have, you discover that around Grade 11 or 12 if you ask young people what they want to be and an enormous number of them—I would say usually the largest single block wants to get into writing, reporting, and journalism of some sort. With the kind of specialization that is appearing now let's suppose a newspaper—and it is a good news service—wants to offer a column on how you take care of your car. Well, I think it would be pretty sensible to start on the basis that what you want to do is find someone who knows a hell of a lot about cars who can write. If you get the combination from someone who is a trained—you might call it a professional journalist—fine; but it would be terrible—I think it would be almost wrong—if that was the limiting factor.

The Chairman: Mr. Fortier?

Mr. Yves Fortier: Thank you, Mr. Chairman.

Mr. Fisher you spoke earlier of the objectivity of members of the Press Gallery in recent years. I wonder if you would go back with me to 1957 when then, as now, you were on the outside looking in. Would you agree that during the great pipeline debate of that year that most gallerymen lost their cool?

Mr. Douglas Fisher: They tended to get committed and take sides. I have seen them do this a couple of times.

Mr. Yves Fortier: What other instances are there that you can remember?

Mr. Douglas Fisher: Well, I thought they were taking sides at the time of the Favreau-Rivard period. We went through a series there and I thought they had a tendency to take sides.

In two general election campaigns I think the appeal, the charisma, the personality if you want of first Mr. Diefenbaker and later Mr. Trudeau, just a year and a half ago took over I suppose there was a bit of a herd instinct there. I think very quickly there is an appropriate readjustment.

Mr. Yves Fortier: Without any need for a body such as a press council to rectify it?

Mr. Douglas Fisher: I think a press council might be salutary particularly in reviewing some of the, what you might call, the over-enthusiasm. I also think the press council might be very useful on the issue that emerged during the scandal of the Pearson years and was highlighted by the Prime Minister in his address to the assembled reporters in London last January—about this whole question of privacy of politicians and the rights and expectations there. I think a couple of cases as they happened might be examined.

I have a bit of concern as a politician who has sat in the House about this because maybe it can't stand public examination; but there is a code in the House of Commons and in the Senate as well, that you are living intimately here and you get to know the aberrations, the enthusiasms of your colleagues.

Let's take two examples. There are always in any large group of men, those who drink too much and those who womanize extensively. There is always this kind of thing. I really have worried at the time of the scandal and subsequently, and subsequently perhaps because of the pressures that have been put upon Mr. Trudeau's private life. A tendency for this wall, which I suppose was a wall of silence—it was actually a code of decency, it seems to me—develops among politicians.

Mr. Yves Fortier: To what extent is a public man's private life really private? To what extent should a public man's private life be private?

Mr. Douglas Fisher: I haven't any ready answer to this but it seems to me it should be left completely as private as possible until he

becomes or begins to expose or exploit that himself.

Mr. Yves Fortier: Would you agree that the disclosure by Mr. Cardin in the House of the involvement of one Pierre Sevigny with one Gerda Munsinger was a disclosure that was in the public interest? How would that fit into your analysis?

Mr. Douglas Fisher: I thought it was a terrible thing and I regretted that he did it. I just think it was very bad.

Mr. Yves Fortier: Could we apply your reasoning then to the disclosure of Mr. Trudeau's luncheon engagement in London last January? How would you compare the two?

Mr. Douglas Fisher: I didn't like that either, but there is a certain irony in that it was actually—if I could just be descriptive for a minute or two. I happened to be in the lobby of the hotel where most of the Canadian journalists were staying and a number of the Canadian press came in and said, "Well, boys, look at this." It was the first edition of the *Daily Mail* with a picture of this gorgeous girl with rather gushing suggestion. The question confronted almost everybody there immediately, "What are we going to do about it?" I think to their credit there was a distaste but as one man said to another, "What in hell do we do, it is there, it is out, and Canadians are going to be interested in this and we have to follow it out."

There was an interlude of about 15 or 20 minutes of discussion and then all of a sudden people began to zoom out to phones and taxis and so on. It was a very difficult thing.

Mr. Yves Fortier: Could you define some guidelines for journalists in this context?

Mr. Douglas Fisher: Well,...

Mr. Yves Fortier: I think it is most important that there be at least some self-imposed guidelines.

Mr. Douglas Fisher: Well, I don't know. I always like the example of Mr. Diefenbaker squelching the Frank Howard file because he said that was a man's past. It seems to me one should leave a man's past alone unless there is mal-feasance or something like that that has still not been assessed or judged in the courts. Of course, it seems to me that would be fair but otherwise you would leave a man's past alone.

Secondly, you don't write anything on his family—particularly his wife and children—unless you have your information that he has an understanding of what is involved or unless the members of the family have been out in the open associating with him in a political way. It seems to me that those are a couple of things to start with.

Also it seems to me, if a man behaves in a bad tempered way in the House of Commons or in a public place, such as striking a reporter or something of that nature, alright, you have to cover that; but if, as a result of the Christmas party such as the one taking place tonight, a man makes a fool of himself at the Press Gallery dinner—I have seen on occasion people do that—obviously you don't touch that, you don't cover that.

Mr. Yves Fortier: That is not in the public interest to disclose?

Mr. Douglas Fisher: No, that is right.

Mr. Yves Fortier: On another topic, what in your opinion are the components of a good newspaper in Canada?

Mr. Douglas Fisher: Blair Fraser and Peter Stursburg for some years did the programme "Looking Through The Papers" which was started here by a producer by the name of Jean Smith about 6 or 7 years ago. It developed into a format and I talked with both of them at length at various times about it. They used to survey the newspapers right across the country. They both said they felt that the must reading—perhaps I am being unfair since Mr. Fraser is dead, but I remember from both of them that they had to read the three Toronto papers, usually the *Montreal Star* and *Le Devoir* and perhaps one paper from the west that had southern coverage.

They felt in the main that was it. I would have to put forward any one newspaper. There is no national newspaper; there is no newspaper of record yet in Canada.

Mr. Yves Fortier: Their mandatory reading did not extend as far as the Maritimes?

Mr. Douglas Fisher: I'm sure a lot of mandatory reading for people in politics tends to exclude the French language papers as well. Both those men used to read the maritime papers. They took their job on the programme seriously but they felt in the main this is where the best comment and the major and extensive news coverage existed.

Now, it has been quite clear that the *Toronto Star* and I think your analysis if you do it will show, tends to cover American affairs a little more than most other Canadian papers. The *Montreal Star* tends to run more foreign news stories. And then there are specialties. If I wanted to know about shipping and transport, obviously I have to look at the *Montreal Gazette* and the *Montreal Star* more than most other papers—or the *Vancouver Sun*—to keep up with it.

There are specialties according to region and interest but I suppose the ideal paper is the one that has the money of the *Toronto Star*, the forum idea of the *Toronto Telegram* and the news services and the ratio of news to advertising that the *Globe and Mail* has.

Mr. Yves Fortier: That covers all of Toronto.

Mr. Douglas Fisher: Well, you know, there are weekly—

Mr. Yves Fortier: Anyone who wants to buy the three papers has on any given day—

Mr. Douglas Fisher: I recognize that. I said that there is no national newspaper. They are not national newspapers. I am assuming that you want in a sense, the best possible coverage.

Mr. Yves Fortier: That was going to be my next question. The second next question was going to be what are your—as you are fluently bilingual—what are the...

Mr. Douglas Fisher: No, I am not. I can read French but I am certainly not bilingual.

Mr. Yves Fortier: Well, I have heard you described as such, Mr. Fisher. What are the inherent differences—Maybe it was an ill-informed reporter that told me. What are the inherent differences between French-Canadian and English-Canadian journalism in Canada today?

Mr. Douglas Fisher: It is very hard to judge just from the Press Gallery because it seems to me that Federal affairs are covered competently I think, by the people who are here but I think there aren't that many of them. They form a fairly small group and particularly the press. There really aren't that many French-language papers represented in the Gallery. The distinction—well, they have been changing enormously I think, particularly in *La Presse*. When I first came down here every time I opened it, it seemed to me that every

other picture was a cardinal or a bishop or a monsignor of some kind.

Mr. Yves Fortier: You still get one Cardinal—Jean Guy.

Mr. Douglas Fisher: Well, I am sure there are a few but the ratio or the balance has changed. It is quite clear that there is more of what you might call conceptual abstract writing in the French-Canadian papers than I find in most of the English-Canadian papers. They were earlier in the tradition of using the intellectuals and the academics. Although, as you probably have noticed, the big English-language papers are getting into the academic business like gangbusters.

It is getting to the stage—I know one professor in Toronto—I won't mention his name—who told me about eight years ago that he found a great deal of sniping from his colleagues because he had feature articles in the *Globe* and the CBC had him on almost as a regular. He was just telling me a couple of months ago how the situation has changed. That you almost cannot be a self-respecting professor any more, particularly in the Toronto or Montreal areas, if you haven't got a couple of pieces a year in the daily press. But I make that distinction. The other thing is that you have to look at the Montreal French-language tabloids, it seems to me, as examples of the kind of journalism that we don't have in English-speaking Canada. It tends to be ghoulish, extremely colourful, emotional, mockish, with extraordinary emphasis upon sports, accidents, murders, and so forth.

Secondly,—

Mr. Yves Fortier: And it sells like hot-cakes?

Mr. Douglas Fisher: Well, it may. We have *Hush* and *Flash*, and so on, but it doesn't seem to me that the circulation is—

Mr. Yves Fortier: That is a very important difference and I have often wondered about the parallel between this emphasis in French-Canada which you also encounter in England. You have that sort of print in England which caters to the British people and you have this sort of press in Quebec which caters to the average French-Canadian.

I am sure there is an interesting study which could be made here.

Mr. Douglas Fisher: In terms of the fact that the English-language press in Canada hasn't really seen much of it.

Mr. Yves Fortier: Yes.

Mr. Douglas Fisher: Well, I think you should talk to Professor Rowat on this. Years ago he went on about this. He went on about the puritan bit and I suppose Porter touches on it—the British charter group the sense of responsibility and decency and so on.

Working for the *Telegram* and knowing people who work for the *Toronto Star*, it seems to me that both the *Star* and the *Telegram* for the last decade have been trying to get out from under a label of being sensational and concentrating too much on the lurid. Take the Sharon Tate case which you can see being reported now. It is getting coverage but I almost feel that almost every managing editor across the country is trying to weigh the sort of avid interest that probably exists for thousands of inches on that case, because of all its bizarre qualities, against their sense of responsibility that this shouldn't be done. It isn't decent and respectable.

I hope you take a look at the circulations of *Hush* and *Flash* and so on and have some idea of their penetration. I think there is another factor you have to consider. The development in the English-language press, if you want to call it that, or the underground press in Canada, has just amazed me. I think of the Lakehead as just a small place of one hundred thousand people and yet there is not one but sometimes two or three underground papers going there, well printed, well turned out and full of all the right four-letter words and the psychedelic design and so on.

This indicates that the press that we have isn't filling a certain need.

Mr. Yves Fortier: It would seem to indicate that there is a need for that sort of journalism in Canada?

Mr. Douglas Fisher: Yes. Mind you, I am with the managing editor with the problem. I find, for example, the *Georgia Strait* and some of these other papers I've seen, very hard to take. You can be fascinated a few times by their scurrilous nature. I think the McGill paper a year or two ago hit wonderful highs in just being scurrilous and with marvelous invectives.

Senator McElman: What do you see as to the future role of the underground? Is it going to continue to exist? Is it going to influence the major dailies to move into some of these areas? I don't mean of the four-letter

word type of thing, but some areas that are being covered by the underground press today and largely not covered by the respectable press.

Mr. Douglas Fisher: I would think—I don't see how the dailies can handle much more in the way of diversity than they are doing now. It seems to me that a periodical press of a kind, or a weekly press, is more likely to come along. With the new techniques, young people or old people for that matter can start something and print something very quickly. It is really a playback I suppose back to the days of Milton and that period. Also you saw a lot of it in England in the 18th Century. It opens up a new dimension but it doesn't seem to me that it is one that the daily press can really follow very far. It tends to begin and there is almost a sub-culture there. I don't see how it can have any advertising or revenue base of merit. I don't know whether it is going to creep up and penetrate high enough into the middle class people, that there will be the kind of purchasing audience or general interest in it, but I am too much influenced by the shock I feel.

The Chairman: I would like to terminate the session reasonably soon in fairness to the witness, so would you please, Senators, organize your final questions?

Senator Prowse: One of my first questions would be to follow up on what Senator Everett was asking you about ownership, particularly on the ownership of the chains. Would there be any useful purpose to be served by requiring that chains would have to be owned by public companies with widely dispersed shares—with the same kind of a prohibition against the concentration of holdings in anyone's hands, as we have in the Bank Act?

Mr. Douglas Fisher: First of all, I don't think you should have retroactive legislation. That is, I don't think you should consider recommending legislation that goes back...

Senator Prowse: No, but we are dealing with the closely-held family groups here. We are going to have a problem one of these days.

Mr. Douglas Fisher: I think—and I know there will be strong objections to this, but I like the idea of the public company and the filing of annual reports and the analysis and breakdown. Because of the public responsibility, it seems to me, that papers, television

stations and radio stations should be required to do this.

Now, it seems to me, what you need to hear here is a rebuttal or an analysis of this point of view from say the three papers in Toronto where there is a competitive situation.

Senator Prowse: Yes.

Mr. Douglas Fisher: It seems to me they know a hell of a lot about each other so that their protest that this kind of revelation would hurt them competitively, is probably exaggerated but I think they should be heard.

Senator Prowse: What I have in mind is this: going on to professionalism. In our banks, for example, the management of the banks is pretty well in the hands of the professionals.

Mr. Douglas Fisher: Yes.

Senator Prowse: The banking professionals.

Mr. Douglas Fisher: That is one of the things that...

Senator Prowse: This would happen with the chains in the same situation I would think.

Mr. Douglas Fisher: I think you brought out what is behind the point that Porter makes and what I have quoted here. In the odd way publishing has tended to remain familiar and personal. In so many other corporate enterprises it is the managing expert who comes in and the ownership—you know, the weight and bearing in the ownership direction doesn't exist. Now, why has the family thing persisted so long? Well, I think it may be part of the—I suppose there is a certain glamour and so on in holding onto it.

Senator Prowse: Isn't one of the reasons that it is held onto because of the increasing costs of putting out a newspaper; that the person, who already has one, has such a running start. He is not like the contractor who is coming into business. If you are going to start a newspaper you have to start at full speed and you have to start as big as your competitor or you are not going to get going. Isn't this perhaps the biggest factor there?

Mr. Douglas Fisher: Well, I recommend that you do a strong analysis of *Le Nouveau Journal* and what happened there. I have heard that figures as high as five million dollars went down the drain in that enterprise. I don't know how good the product was, but

certainly it was attractive in terms of layout and they had a tremendous array of able people. I thought that the enterprise which started in Vancouver—I have forgotten the name of it...

Senator Prowse: The *Times*?

Mr. Douglas Fisher: Yes, the *Times*.

Here again, from talking to people about both those operations, I understand that one of the great inhibiting factors was the difficulty in getting news services and wire services and something that was reasonable. I don't know.

Senator Prowse: Well, this has been denied pretty well.

Mr. Douglas Fisher: Yes.

Senator Prowse: Now, following on from that to the question of professionalism—the question of professionalism with the press. Obviously, everybody seems to think that we are going to get able editorial writers, and by that I mean people working in the news departments, fully armed out of journalistic schools. They think this can't be done.

We usually talk about doctors and lawyers and chartered accountants for example—those are the people that we talk about. But is there a recognition that after a person who has completed his formal education in any one of those accepted professions, he puts in from five to ten years of on-the-job training before he comes to be accepted—except for the odd individual with special talent—before he really becomes accepted as a true professional.

Now, the newspaper business really ought to have no more trouble in being professional than anybody else?

Mr. Douglas Fisher: Well, there are two factors which I don't know whether you have considered. Unlike so many other professions there is always a waiting list of people trying to get into it. But then over on the other side there is a waiting list of organizations, companies and governments that are anxious to pluck people out of it. This, it seems to me then, unsettles the thing.

The other thing is the conditions of work. They are often unstable. A new editor comes in and suddenly there is a whole new power situation within a paper.

Here again, I can only go from conversations with editors and managing editors—there is in some of them—particularly the larger papers, there is a developing concern about what you are talking about. They are always talking about the losses that they have. I think if you just look at what has happened to the *Globe and Mail* in recent years. It must be disheartening; it must be forcing the managerial people there, and in other papers, to accept that there is something seriously wrong with both the training process and the kind of incentive and salary and other things that leads to this.

Senator Prowse: Well, I think this can almost be taken for granted. The final question would be this. Looking at your sixth recommendation:

“That you request the government to adopt an information policy similar to that of Sweden which would place the onus on government to justify secrecy over material whereas all else should be open to the press and the public”.

Now, the thing that I wanted to ask you is this. What kind of steps could we take aside from that recommendation in order to ensure that the material would be available, that they could physically get hold of the information that they wanted. How much trouble do you have in getting material at the present time, getting answers to questions or interviews or other things you require?

Mr. Douglas Fisher: Well, I think there are considerable sensitive areas. You have this enormous list of questions—I am talking about political questions on the order paper by M.P.'s and requests for production of papers—and this reflects this. I can think for example that there was a paper tabled just the other day at the request of an M.P.—Frank Howard. Immediately, zoom, to my knowledge there were a dozen reporters down there because this was something relating to both a current and very important interest. Yet, until the process of digging it out on the part of an M.P., has taken place, there was nothing there.

Now, it seems to me that it is that kind of a document and information that shouldn't have any protection other than the fact that it is there and someone has to go and dig it out and ferret it out.

Senator Prowse: Well, ordinarily when there is a question asked on the order paper

like that, it is very seldom that the government refuses to produce or to answer it. Is this not correct?

Mr. Douglas Fisher: In the main, as an M.P. and I am sure as a senator, you know that the answers aren't particularly satisfactory. There is a general tendency to stonewall or to give the minimum. My point is why not turn it around? I think Professor Rowat summed up the case beautifully in a number of papers and articles on how so often this kind of wall is unnecessary.

Senator Prowse: Well, what I am trying to get at is the physical problems involved. For example, most of these questions that appear in the order paper are put on for particular reasons which have nothing to do with getting the information.

My experience as an MLA and I imagine yours as an M.P. was that any time that you really wanted information from the department you could go and ask for it.

Mr. Douglas Fisher: No, I never found it that simple.

Senator Prowse: You didn't?

Mr. Douglas Fisher: No. some departments vary as you know. You take D.O.T. under Baldwin—it was like pulling teeth to ever get anything there. He had a beautiful contempt for the ordinary M.P. and that was the situation. Yet Mr. Dave Sim over at National Revenue would invite you in and say “What do you want”. I remember another retired civil servant whom I could mention—Major-General Young of Public Works, who would say, “What do you want to know”, what field is it okay, we will send you over to the director”.

My point is that the attitude of Sim and Young—and I can take these two people because they are retired—that should not only be the general attitude right across the board but it should be recognized as policy.

Senator Prowse: This is what you ought to be doing?

Mr. Douglas Fisher: Yes.

Senator Prowse: As a working member...

Mr. Douglas Fisher: May I give you an example?

Senator Prowse: Yes.

Mr. Douglas Fisher: Right now, we have a controversy about the electronic workers and the air traffic controllers. Now, a number of reporters listening have gotten in and gotten a fair amount of detail. My point is that Finkleman, Drury and Reisman have always been in the position all the way through that any journalist or reporter, at any time, could have gone down there and gotten the latest report on what was going on except that information which was closed within the privacy of the conciliation board.

Senator Prowse: Agreed by both parties?

Mr. Douglas Fisher: Yes.

The Chairman: Mr. Fisher, we don't want to detain you much longer but I have just a couple of questions perhaps we may conclude with.

First of all, you have discussed the various media in your presentation but you have made no comment anywhere on private radio. I know that could open up a series of questions that would take us all afternoon, but I am wondering if you could state—do you listen to private radio?

Mr. Douglas Fisher: Oh, a great deal.

The Chairman: What is your opinion of it?

Mr. Douglas Fisher: Well, I often think the hotline programs which are in vogue are a great therapy for a certain kind of listener, the housewife and to a degree in a most unsatisfactory way they perform a function as a forum.

I am sometimes appalled at the listenership, the extent of it and the kind of comments that come forward but I think they are very useful.

I don't know what the hell Vancouver would be without Jack Webster and Pat Burns or people like that in terms of giving another dimension to public opinion.

Mr. Yves Fortier: Montreal may have an answer to that question.

Mr. Douglas Fisher: Well, Montreal had for Mr. Pat Burns.

The Chairman: What aside from the open line programs. For example, in Toronto, I think we only have one hot-line program.

Mr. Douglas Fisher: Well, as you know, the radio reporter, it seems to me, has revolutionized coverage and the attitude of politicians

on Parliament Hill more than even the television camera has. As you know the microphone has become ubiquitous and now most of the print fellows have to run around with a tape recorder as well.

This has had, in a way, some good consequences for politicians who prefer their face and their voice to be there rather than any way some reporters get it down with his introduction and closing.

It also opens up of course opportunities—which I haven't seen too often—of being unfair because you know what you can do with a tape—sort of a partial selection which can be vicious. But it is also clear what is happening. You can see it with Contemporary News and Standard Radio—the development, in effect, of a kind of national news service supplementary to Broadcast News; providing you have a community with a couple of stations competing, it does give you an added bit of variety. It gives you an added bit of variety of what comes out. I suppose you tend to worry when you have a radio reporter with an august voice such as say, Paul Akehurst—you know at times he sounds like a bishop in an echoing cathedral. It may give an unnecessary weight or value to what he is saying that goes beyond that particular gentleman's style of interpretation. But it seems to me that that is something that you just have to live with.

The Chairman: Another subject just briefly. You were making a speech in July of 1959—July 18th and you referred to the Thomson Newspapers as putting out and I quote you “a daily dose of poison against the CBC”. From your reading of the Thompson papers would that still be a valid observation?

Mr. Douglas Fisher: Well, I have been pretty fortunate since I moved out of the Port Arthur ambit where the Thomson papers are. I don't read Thomson papers much any more. I want to say that I have a respect, sort of a personal respect, for Farmer Tisington and Pat Nicholson in what they do here—but I just think the challenge Mr. Nicholson has as a columnist, and Mr. Tisington, as a reporter, in view of the number of outlets, just isn't much.

The Chairman: Rather than the Thomson papers I was more interested that back 10, 12, 15 years ago, you seemed to be preoccupied with people criticizing the CBC.

Mr. Douglas Fisher: Well, I still think in a way there tends to be too much of it. The worst offender it seems to me was always the *Winnipeg Free Press* which as you know screamed and roared for a generation. I have been reading the *Free Press* since I was four years old and it seems to me that it has been hip on this broadcasting thing for a great length of time. The reasons for it, it seems to me, are obvious.

The CBC is a competitor for revenue. It represents a kind of, if you want, a socialist enterprise which is alien and disliked by people who publish papers. I would hate to think what it would be like without it. I don't think we have ever really measured the contribution the national news and the public affairs programs have made in knitting the country. It is easy to be critical about it, and lord knows or as anybody in the CBC knows—I enjoy putting the needle in as much as anybody; That has been a national forum a national line and it still seems to me to be pretty important.

The Chairman: My last question. You said, when you were speaking earlier on the invasion of privacy, that we should leave a politician's past alone. If I may refer to your past just very briefly, you made a comment in your introductory statement referring to the literary magazine of which you were editor during your stint at the University of Toronto. People will be interested to know that as well as being editor of the literary magazine you were also a lineman on the Victoria College football team—as I recall, a particularly dirty lineman—but you have always had, Mr. Fisher, to my certain personal knowledge a great interest in sports. You have written a great deal about sports and I can't think of many people who will be coming before these hearings to whom I can put this question.

Would you care to assess the calibre of sports writing in the newspapers across Canada? I know you read them and are interested.

Mr. Douglas Fisher: Well, sports gets more coverage in proportion than any other field, particularly in terms of statistics and topicality. I think the people who are interested in sports don't suffer very much at all. I suppose the gravest weakness is that it tends to develop a relationship that is often sycophancy and is often sort of a mutual scratching of backs and sometimes even closer than that, between the entrepreneur of sports and the

person covering and reporting it. I suppose that is the thing to be most concerned about.

You get pretty sickened at the way Scott Young was knocked about by Maple Leaf Gardens and if you remember the work of Andy Lytle—with the dominant professional interest. I think this is something to be concerned about—that the sports page doesn't become in a sense a promotion for the Toronto Maple Leafs and the Montreal Canadiens and so on. There is no question about it, the task force report on sports felt that there was obsession with the professional to the detriment of amateur sports. But the sports writers in a sense haven't answered this. I helped write the task force report on sports so my views are there on this topic.

There tends to be, of course, another aspect of which we haven't really met yet and that is that professional sports is concentrated in the United States—I don't mind acknowledging this since Mr. Pearson acknowledged it—in such a graphic way in the “Mr. Pearson” film. It is unfortunate in that it never got out to a wider audience.

So many of us are interested in American baseball, football, and so to a natural degree—and I think a pretty good case could be made—it is one of the things that is pulling the interest of a lot of the people to the south, but it gets in the way of the east and west lines for greater unity.

The Chairman: Including yourself, you are a great baseball fan?

Mr. Douglas Fisher: Yes. I have to acknowledge that. But in a nutshell—I would say that the level of sports journalism, particularly in the larger papers, is comparable to the levels of political journalism. Neither one is consistently excellent but it is fair.

I suppose the real question is whether in balance there may not be too much on sports and not enough on some of the other issues that we should have.

Education costs us an enormous amount of money, much more than sports and it involves, in a practical way, many more people. There is no comparison between the coverage given sport and education in newspapers, radio, or television.

The Chairman: Well, Mr. Fisher, on behalf of the Committee, I certainly want to thank you for a presentation which was both worthwhile and interesting. I think you have covered a great amount of material. We are

most grateful to have your recommendations and your brief. They will be an important part of our records. We have kept you much longer than we had intended and we want to thank you for staying as long as you have this morning.

The committee adjourned at 12:25 p.m. until 2:30 p.m. this day.

THE SENATE SPECIAL COMMITTEE ON MASS MEDIA EVIDENCE

Ottawa, Tuesday, December 16, 1969.

The committee resumed at 2:30 p.m.

The Chairman: Honourable Senators, this afternoon we are to receive three briefs from several witnesses. The briefs are from K. C. Irving Ltd., the *St. John Telegraph-Journal*, and the *Fredericton Gleaner*.

We will deal first of all with the brief from K. C. Irving Ltd. Then following that presentation and question period, we will have the brief from the *Telegraph-Journal*. We will have the presentation on behalf of that paper; then a question period.

Finally, at the end of the afternoon, we will receive the brief, comments and questioning as they relate to the *Fredericton Gleaner*.

We shall proceed to the K. C. Irving brief. Mr. Kenneth Charles Irving is sitting on my immediate right. He is the President of K. C. Irving Ltd. He is accompanied by L. McC. Ritchie who is here as a friend of Mr. Irving in a personal capacity.

Mr. Irving, in compliance with our request, you were kind enough to forward to us a brief in keeping with the guidelines. We received the brief three weeks in advance as requested. It has been circulated to the members of the committee. Presumably it has been read. We shall therefore take it as read.

The procedure this afternoon shall be as follows: I will now allow you a preliminary statement. You may summarize your brief. You may expand upon it, explain it, or indeed, you may talk about anything else you wish to for 15 minutes. Perhaps I can notify you when it is the 10-minute mark.

Following that 15-minute oral presentation, the Senators will be free to question you on

the contents of your brief, on things you say this afternoon, and anything else they may wish to ask you.

KENNETH C. IRVING: President,
K. C. Irving, Ltd.

Mr. Irving: Mr. Chairman, Honourable Senators, perhaps I should make one correction; it is Kenneth Colin Irving.

In the terms of reference submitted to K. C. Irving Ltd., in respect to this hearing, it was suggested that I would have the opportunity to summarize the brief, to elaborate orally on the company's brief, and to submit arguments.

You have received the brief from K. C. Irving Ltd. I trust it is self-explanatory. It is not my intention to elaborate extensively or to present any great amount of argument.

Officers of the several media companies, shares of which companies are owned or controlled by K. C. Irving Ltd., will make presentations to this committee.

There is, however, one section of your questionnaire which called for an answer from me. At this point I wish to state that I received a letter marked personal from Senator McElman, dated February 16, 1968, to which he attached a copy of his remarks made in the Senate previous day, February 15, 1968.

My reply, dated February 19, 1968, not designated personal or private, reads as follows:

"February 19, 1968

"The Honourable Charles McElman,
The Senate, Ottawa, Ontario

"Dear Senator McElman:

"This will acknowledge your letter of February 16, the copy of which is attached.

"Your plan is quite clear and your intentions obvious. Yours very truly, K. C. Irving"

As indicated in that letter, I believe Senator McElman was embarking on a definite plan and subsequent events and statements by the Senator have simply added to my original feeling.

However, I did not come here to make accusations. I did not come here of my own volition, but rather at the request of the Chairman of this committee. I have been asked a direct question about pressure groups.

The question is, "Are pressure groups, commercial, political, professional, social or other, a significant problem to the media? How do you deal with them?"

In New Brunswick, we have seen pressure brought to bear on certain sections of the press in the form of direct retaliation by a government leader when he was not supported editorially by a newspaper. Senator McElman is aware that this has taken place. He witnessed it and can confirm what I have to say.

The pressure to which I refer was direct pressure on Brigadier Wardell, Michael Wardell, the publisher of the Fredericton *Daily Gleaner* and the *Atlantic Advocate*. It took the form of economic reprisal. Government printing and advertising were taken away from his plant in Fredericton, and that in my mind—and I am sure in the mind of Brigadier Wardell—was an effort to banish him financially.

The pressure was exerted by Premier Robichaud because Brigadier Wardell's publications had supported former Progressive Conservative Premier Hugh John Flemming and former Progressive Conservative Prime Minister Diefenbaker.

I have knowledge of the Premier's determination to cause Brigadier Wardell harm in this manner. What I have said can be confirmed by Senator McElman, who was then Executive Assistant to the Premier. The Premier said he would do everything that he could to destroy Brigadier Wardell.

He failed in his effort, but not because he did not try.

We have seen other forms of political pressure in New Brunswick. Senator McElman has made various statements about the press in New Brunswick. You are familiar with these statements. He called for an investigation of the press of New Brunswick under the Combines Investigation Act. This, of course, he has every right to do, and again you are familiar with his public statements.

You may not be familiar with other statements he has made outside the Senate about CHSJ-TV. He indicated to people in New Brunswick that CHSJ-TV will lose its license.

During the Christmas holiday season last year in Fredericton, he stated at a gathering that this license would be available within a year. He also indicated that he could be of assistance in Ottawa should someone be interested in obtaining the television license.

The Senator made his statement within the hearing of several people. There were witnesses who heard the statement, including of course the person to whom he was speaking. That person does not wish to be involved and I have no desire to name him. But he has assured me he will stand behind his recollection of the event because it is the truth.

I, therefore, hope the Senator will have the good grace to acknowledge that he made the statement. Otherwise it will be his decision that a third party has to be named and perhaps called as a witness.

You have asked whether the pressure groups are a significant problem to the media. Do the statements of Senator McElman constitute political pressure? You, gentlemen, are quite capable of answering that question. To me, the answer is obvious.

There is one other point I should make. In the formal brief submitted to the Special Senate Committee by K. C. Irving Ltd., I outlined my feelings about New Brunswick ownership.

While I believe in New Brunswick ownership, I have never contended nor do I contend now, that it is essential for all English language newspapers to be owned by K. C. Irving Ltd. I believe they should be owned by New Brunswickers or Maritimers. I also believe that newspapers should be judged on their performance, not their ownership.

The Chairman: Thank you, Mr. Irving.

Now, I think we can proceed to questions from the Senators. I think, Mr. Irving, Senator Prowse will be the first Senator to question you.

Senator McElman: Mr. Chairman.

The Chairman: Senator McElman.

Senator McElman: Mr. Chairman, before the questioning begins, I think it would be appropriate to make two comments. First, the letter which I directed to Mr. Irving on February 16, 1968 was directed to him out of courtesy and he should feel free to read it into the record.

Secondly, the statements which he attributes to me from some unnamed source with respect to CHSJ-TV, I state categorically are patently false.

The Chairman: Do you wish to comment on that, Mr. Irving?

Mr. Irving: I have nothing further to add to what I have said.

The Chairman: Senator Prowse.

Senator Prowse: A propos of the statement that claims that there has been an attempt to pressure Brigadier Wardell—and perhaps Brigadier Wardell can answer this and perhaps Mr. Irving can—the Canadian Daily Newspaper Publishers Association have a section, a subcommittee which deals with freedom of the press. It is their business to investigate and go into any incursions on freedom of the press by anyone.

Can you tell me whether these complaints have been laid in front of them for action?

Mr. Irving: No; I think...

The Chairman: Do you wish to put that to Mr. Wardell?

We will put that question to Mr. Wardell. I think Mr. Irving would prefer that question be put to Mr. Wardell. I think we will do that after Senator Prowse rather than at this time.

Senator Prowse: Referring to your brief, Mr. Irving, I notice that on page 2...

The Chairman: Just a moment...

Mr. Irving: I have one here now.

I do not know whether I marked that one p or not. I may have.

The Chairman: Senator.

Senator Prowse: In paragraph 7, you say, Page 2:

"I do not participate in the operation of the newspapers or the radio and television stations. I am not consulted and at no time have I interfered, or attempted to interfere, with news or editorial policies."

This is your firm practice; is it?

Mr. Irving: Yes; that is correct.

Senator Prowse: And the statement is as true today as when it was written?

Mr. Irving: Yes.

Senator Prowse: Have you at any time had to interfere at all?

Mr. Irving: Editorial policies or what?

Senator Prowse: Well, I am going to come to that in the next question. With the editorial policies or news or the operation of things.

Mr. Irving: Well, you understand...

Senator Prowse: You say "I do not participate in the operation of the newspapers or the radio and television stations. I am not consulted and at no time have I interfered, or attempted to interfere, with news or editorial policies".

Now the consultation and interference applies only to news and editorial policies; is that it?

Mr. Irving: That is correct. With buildings or machinery or property or investment or whatever it may be, I would be consulted on that.

Senator Prowse: On senior appointments?

Mr. Irving: Oh, yes; yes.

Senator Prowse: So that you look after the businesses...

Mr. Irving: Well, excuse me; just top senior. I have only appointed one man in any of the newspapers I am interested in.

Senator Prowse: Can you tell us at what level he was appointed or what job?

Mr. Irving: He is President of New Brunswick Publishing, Mr. Costello.

Senator Prowse: Oh, yes.

Now, as far as the news and editorial, then following on to paragraph eight, you leave that entirely to the publishers, your publishers?

Mr. Irving: That is correct.

Senator Prowse: Then in 10, you say:

"No salary, remuneration, or expenses in any form have ever been paid to me or any member of my family by any of the newspapers, the radio or television stations."

In 11, "No dividends have been declared by New Brunswick Publishing Company Limited during the twenty-five years which have elapsed since its incorporation."

Those are both statements of fact?

Mr. Irving: Oh, yes.

Senator Prowse: Now, I get a little confused at this point. Would you mind telling me why you would bother to own newspapers, radio and television stations, when you don't participate in the operation of them and you take no money out of them?

Mr. Irving: Well, you understand, the opportunities in New Brunswick are quite limited compared to other parts of Canada.

We have our own problems. We have great difficulty in getting capital into New Brunswick. The chartered banks are our best friends.

So we have to build up our own resources in order to have money to do things when we want to as a rule—to a great extent, not entirely, but to a great extent.

That necessity is the basis possibly for the policies which we have adopted in respect to most of our companies.

Senator Prowse: You purchased a newspaper company; you did not start any one of them.

Mr. Irving: No; that is correct.

Senator Prowse: They were in operation.

Mr. Irving: That is right.

Senator Prowse: I am not trying to get into the business end of it, but I am just wondering why you would bother to purchase a newspaper business when you were not going to make a profit out of it and you were not going to take any real interest in what it was doing.

Mr. Irving: Well, I can understand that it would look a little peculiar to people living in some other parts of Canada, but it is the only way how I know to get along in New Brunswick and in the Maritimes, and to retain control of some part of our activities.

Senator Prowse: The only way you could maintain control of some part of the activity.

Mr. Irving: Yes.

Senator Prowse: Then you, I think, initiated one of the radio stations or television stations. Is this correct, or did you purchase them also?

Mr. Irving: No. The TV I think, came after, yes, after I acquired—after 1944, I believe that is correct; it was quite awhile ago—I acquired the *Telegraph-Journal* and the New Brunswick Publishing Company in 1944. They had radio at the time, but not television.

That was developed by a company at a later date.

Senator Prowse: I see. In paragraph 12 you state that:

"All profits and cash throw-off resulting from the operation of the newspapers and the radio and television stations controlled by New Brunswick Publishing Company, Limited

have been reinvested in New Brunswick endeavours. That is not a policy which generally prevails when the head office and control of a New Brunswick company is located outside the Maritimes."

That would be everything except the *Gleaner*, would it not? Your interest there is as K. C. Irving, I believe.

Mr. Irving: Yes; The *Gleaner* has no part of the New Brunswick Publishing Company.

Senator Prowse: But as far as New Brunswick Publishing, that covers all the other publishing and broadcasting?

Mr. Irving: Yes; that is correct, and the television.

Senator Prowse: And they have not declared any dividends, but apparently they have had some profits and some cash—cash throw-off as you put it.

Mr. Irving: Yes; they have cash throw-off. That is correct. They have had borrowing power which they have used.

Senator Prowse: Well, it says here that the cash throw-off, which I take it would involve money they had borrowed. Profits are clear. Cash throw-off would include money that they had borrowed.

Mr. Irving: Yes. Cash throw-off includes earnings after income tax, and depreciation less what moneys were expended during the year on capital expenditure.

Senator Prowse: It would be disposable money at the end of a year, then?

Mr. Irving: That is correct.

Senator Prowse: Available for some other purposes?

Mr. Irving: Yes; pay off indebtedness or investment or something.

Senator Prowse: This is what I am getting at. You say this would be reinvested in New Brunswick endeavours. Would you tell us what those endeavours were?

Mr. Irving: Yes, well, when we acquired—when K. C. Irving Limited acquired shares in the publishing company and the paper was in an old building and so was the radio and television; they have built new properties, both the newspaper in Saint John and the radio and television station, built their new properties.

The papers in Moncton also built new premises. They purchased new machinery, new printing presses and supporting equipment and so forth.

Does that answer your question completely or would you like to know other things?

Senator Prowse: Well, I think perhaps I can make it easier for you, for both of us and everybody listening, too, if I just say, has this money been plowed back into enterprises that are operated by New Brunswick Publishing or has the money gone out into other investments which were then held by them?

The Chairman: Mr. Costello.

Mr. Costello: Mr. Irving may wish to answer this completely and fully, but there is a great deal of private information submitted to the committee on the understanding that it is private and if we wish to open this up, then we would proceed and all would become public knowledge.

The Chairman: Well, Mr. Costello, I am prepared to do one of two things. I think Mr. Irving wishes to answer the question. I think he may, if he wishes to answer.

As I have made clear at the outset of most of our hearings and I would certainly make clear today, if there are questions you would prefer to answer in camera, we would be delighted to do that at your request.

Mr. Irving: Well, there are no secrets about what we are doing in a way.

Senator Prowse: I was not trying to uncover secrets.

Mr. Costello: I do not think it is necessary to tell our business.

The Chairman: I take Mr. Costello's point. At the same time, I do not think, in my opinion, the question really was of such specific nature that—I would be interested in what Mr. Irving has to say. Would you rephrase the question?

Senator Prowse: Has the money all gone back into New Brunswick to the publications and the TV and radio stations, the communication media that generated it, or has it gone to acquire interests for New Brunswick in other Quebec properties? Now that is the question.

Mr. Irving: Well, that would take a little bookkeeping to answer your question in detail.

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Senator Prowse: I do not need the detail. Maybe you could say yes or no.

The Chairman: If you prefer to answer that question in confidence, you could perhaps send your reply in writing.

Mr. Irving: Yes. It is not that I do not know, but I doubt if anybody else outside of the accountant knows exactly and could answer your question correctly without taking a look at the figures and determining just where did this money go and so forth.

But it is all in New Brunswick, as I said. A lot of it is in buildings and new equipment and one thing and another and so forth. I think perhaps I would like to just tell you what is on my mind, but the whole works, I am not sure.

I think perhaps it would be better not to answer that question at the moment.

The Chairman: Would you send us your answer?

Mr. Irving: Yes; we will do that.

Senator Prowse: That is fine.

Skipping back to Paragraph 8: "I believe the people who direct the newspapers, the radio and television stations, are doing a good job. I have confidence in them."

I would assume that you still have, or they would not be there.

Mr. Irving: That is correct.

Senator Prowse: Then Paragraph nine: "If, however, the newspapers and the radio and television stations were not being operated properly, K. C. Irving, Limited would not shirk nor in any way attempt to evade its responsibility."

Suppose you came to the conclusion that one of the publishers or editors of the papers was not operating properly, what would you do?

Mr. Irving: That gets right back to the President of the company. He is my only contact.

Senator Prowse: You and he at that point would have a conversation?

Mr. Irving: Correct.

Senator Prowse: And you would point out to him what you thought was improper?

Mr. Irving: So far as business management, maybe, but not as far as editorial policy. That is something I do not know anything about.

Senator Prowse: Let us take a hypothetical situation. Suppose that one of your editors—and this has happened to people who owned papers before—suddenly decided that he was going to run a campaign suggesting that they could solve all of New Brunswick's problems by nationalizing a few of the more profitable industries, and he started to use his news columns and editorial columns for the purpose of promoting this kind of activity.

Suppose the publisher, who would have to be agreeable and I am thinking of it at this moment as if he would be directing this. Now would you consider this to be an improper operation?

Mr. Irving: I can think of incidents right now where it may be the lesser of two evils.

The Chairman: Could you explain that answer?

Mr. Irving: I do not want to get too specific.

Senator Prowse: Well, perhaps you could be specific as you have been definite.

Mr. Irving: Well, you asked me; I gave you my answer. I might agree with them. I might very well agree with them. I could not say right here that I would object to his editorial on that basis.

Senator Prowse: Suppose you did feel that this was going to hurt anybody—for him to take this course of action. Suppose it might hurt New Brunswick.

Mr. Irving: Then I would step in.

Senator Prowse: If you thought that any action he was taking would be inimicable to the interests of New Brunswick, you would step in?

Mr. Irving: Yes.

Senator Prowse: Then that power is always there and all of your employees are aware of that power?

Mr. Irving: I would like to step into more than the newspapers, if that was about to happen.

Senator Prowse: Well, unfortunately, we are just dealing with newspapers and radios and TV here today, sir.

Now then, in our research, we got a lot of detail and I find that the K. C. Irving group have interest in the major financial interest in oil refinery, some 3,000 retail outlets for gas, oil, and auto accessories; fuel oil and fuel oil retail distribution; residential propane gas distribution; shipbuilding and repair; a fleet of deep sea vessels; tug boat company; fishing vessels; a major pulp mill saw mills; approximately two million acres of forest land, some in free hold and a little less in forest management licenses, I believe, then with more in Quebec and in the State of Maine; aircraft; plumbing and heating, electrical and industry supporting and building supplies and equipment, manufacturing of light and heavy industrial equipment and machinery.

The point I want to make is that your economic activities, Mr. Irving, must constitute a pretty substantial portion of the total economic activities in that Province.

Mr. Irving: Of the locally owned; yes.

Senator Prowse: The big majority of the locally owned, but I think one of the figures that I had was that you have something like 13,000 employees that you provide work for altogether.

Mr. Irving: I would say that is probably correct.

Senator Prowse: So that anything that hurts New Brunswick is going to, in one way or another, hurt K. C. Irving interests?

Mr. Irving: Yes. Would you repeat that statement?

Senator Prowse: Anything that would hurt New Brunswick in any way, that would depress the level of activity, confidence in New Brunswick, or hurt it in any way, would have an adverse effect on the Irving interests.

Mr. Irving: Yes. That would be a natural assumption.

Senator Prowse: And would the converse also equally be true?

Mr. Irving: Yes.

The Chairman: May I suggest you carry on Senator Prowse?

Senator Prowse: The lights went out for a few minutes.

The Chairman: You asked a question about the converse. Did Mr. Irving answer that?

Senator Prowse: He said yes.

In effect, if anything hurt—it could be because you have your eggs in the one basket—if anything were to happen which was going to, or was going to appear to happen, which was going to hurt the Irving interests, this would be a threat to New Brunswick economy and to New Brunswick?

Mr. Irving: I am not sure of your reasoning. I think we are kind of grasping at straws. We have prosperity in New Brunswick, all kinds of prosperity. That would be a natural conclusion and we are interested in other provinces to a degree, Quebec and the other Atlantic Provinces.

Senator Prowse: All right. We will leave that for now.

Paragraph 13, "It is my firm belief that regional disparities now handicapping New Brunswick would be substantially reduced if a sizeable segment of the industries operating in the area were locally owned. Local owners then would have the right to decide how and where the earnings and cash throw-off resulting from the operations of those industries would be used."

Now, I am interested in that statement because I am wondering why it is that where you own all of the newspapers, that the salaries in the media—to the extent to which you own the media in the neighborhood—the salaries in the media are lower in New Brunswick than they are on the national average.

Mr. Irving: Well, I...

Mr. Costello: I think...

The Chairman: Do you have objection to this?

Mr. Irving: I would think that gets right into the operation of the papers.

The Chairman: Do you want to answer it now or later?

Mr. Irving: Later.

The Chairman: Fine.

Senator Prowse: Have you ever...

Mr. Irving: I am not familiar with the newspapers; Mr. Costello is.

Senator Prowse: Fine. Mr. Irving. Have you ever considered the possibility of a public share offering of your various media to New Brunswickers?

Mr. Irving: Oh, yes.

Senator Prowse: Did you like the idea or not?

Mr. Irving: We just did not see how we could do it successfully.

The Chairman: Senator Bourque.

Senator Bourque: Would you tell us who Mr. Costello is?

The Chairman: Mr. Costello is the Publisher of the Saint John *Telegraph-Journal* and will be the next witness following Mr. Irving.

Mr. Irving: He is President of New Brunswick Publishing Company.

Senator Prowse: Was your most recent acquisition the *Daily Gleaner*; when, on what date did you acquire the *Gleaner*?

Mr. Irving: What do you mean by acquired?

Senator Prowse: Control, complete your arrangements with Brigadier Wardell that you acquired the interests you now have there?

Mr. Irving: I am going to answer your question the only way possible. The date that you are referring to is May 15, 1958, I believe.

Senator Prowse: I do not know what the date is.

Mr. Irving: Yes. Well that is when I made a certain arrangement with Brigadier Wardell.

The Chairman: May 15?

Mr. Irving: 1968; I am sorry; that is correct; 1968.

Senator Prowse: When was there any announcement made by anybody as to when that had happened?

Mr. Irving: I am not too sure, but you understand I might mention this with details—certain things are not complete yet with Brigadier Wardell. I do not think that anything, that I should go out talking about things that have taken place and possibly not completely dealt with.

Senator Prowse: Your transaction is not completed? You do not have the full right to exercise the 51 percent or whatever it is you hold now?

Mr. Irving: I have not exercised any voting rights or anything and—you are asking me to disclose my arrangements with Brigadier Wardell.

Senator Prowse: No, sir; I have not.

Mr. Irving: All right. Please do not ask me that question.

Senator Prowse: What I was asking you was if you are saying that you have not completed your arrangements with him yet.

Mr. Irving: We have completed them, yes, to a point, but now I would prefer not to go beyond that unless I am required to, and I am not trying to mislead you, but I have access...

The Chairman: We will accept that.

Senator Prowse: Mr. Wardell...

The Chairman: Mr. Wardell said he would like to discuss this in due course.

Senator Prowse: That is fine; certainly.

The Chairman: Perhaps, Senator Prowse, I could move on and then return to you. Do you have another question?

Senator Prowse: Yes. The magazine Canadian Dimension in the issue of August, September of 1969, at Page 12, states that one of your companies is a minority shareholder in CKCW-TV, Moncton's only English television outlet. Is that an accurate report?

The Chairman: Would you repeat the quotation again please?

Senator Prowse: It says that one of the Irving Companies is a minority shareholder in CKCW-TV, Moncton's only English television outlet.

Mr. Irving: There are two there now, but at that time, there was, I presume, only one station in Moncton and I am not a shareholder of that station.

Senator Prowse: Do you have any interest or any claim on any part of any of the shares of that station that are held by anybody else?

Mr. Irving: Not on the shares; no. You are getting into perhaps a situation there, but I don't own any of the shares.

Senator Prowse: Do you exercise any control over any of the shares?

Mr. Irving: No.

Senator Prowse: Do you have a financial interest in any part of any interest in the station?

Mr. Irving: Well, no; I have no financial interest in the station.

Senator Prowse: As collateral or otherwise?

Mr. Irving: Well, now, that is a different matter. I don't hold any shares as collateral myself.

Senator Prowse: Does any one of your companies or your sons?

Mr. Irving: My companies do not hold any shares of collateral, but there was an obligation of a party that did own those shares. However, I do not hold those shares as collateral.

Senator Prowse: Thank you.

The Chairman: If you wish to come back, Senator Prowse, I am sure you can. Senator Everett.

Senator Everett: Mr. Irving, according to your brief, if I understand it correctly, New Brunswick Publishing Company, which is 100 percent owned by K. C. Irving Limited, owns the *Saint John Times Globe*, the *Saint John Telegram* and the Moncton Publishing Company which, in turn, owns the *Moncton Times* and the *Moncton Transcript* and also owns New Brunswick Broadcasting which owns TV stations and radio stations. Is that correct?

Mr. Irving: Well, correct, with the exception of the name of the papers in Saint John.

Senator Everett: Did I misname them?

Mr. Irving: I think so.

Senator Everett: I am sorry. *The Telegraph-Journal* and the *Evening Times Globe*. Does New Brunswick Publishing Company own any other companies or control any other companies or hold substantial interests in any other companies or undertakings?

Mr. Irving: That is the N.B. Publishing Company. They may have a real estate company; I am not sure. I think if you ask the President of that company, Mr. Costello when he is on, he could tell you.

Senator Everett: The University Press Company of New Brunswick is owned according to your brief, by K. C. Irving Limited and Brigadier Wardell.

Mr. Irving: And others.

Senator Everett: And others?

Mr. Irving: Yes.

Senator Everett: It in turn publishes the *Fredericton Gleaner*. Does it have any other undertakings?

Mr. Irving: Yes. It publishes the *Advocate*, *Moncton Magazine*, and also has a printing business.

Senator Everett: That would be a job printing?

Mr. Irving: Yes; I think Brigadier Wardell could answer more completely than I can.

Senator Everett: I think you have probably answered them as well as they have to be for this purpose.

It has been suggested in our hearings that this problem of concentration of ownership of the news media could be solved if there was some form of community participation in the ownership—suggestions have been made of up to 50 percent. I gather those suggestions are something of this nature, that the conglomerate or chain would continue to have share control, but would involve the community up to, as I say, 49 percent.

Could I have your views on that, Mr. Irving?

Mr. Irving: Well, you have suggested something that possibly could be quite possible. However, if you lived in New Brunswick and wanted to do certain things down there, you might have very good reasons why that would not be desirable.

Senator Everett: Would you care to give me those reasons?

Mr. Irving: Well, I have had 55 years of schooling on it and these things come sort of to you after a while as second nature and it would take quite a long time to tell you my feelings on these things and experiences that I have had, et cetera.

Senator Everett: I shall not press you on that point since I do not understand...

The Chairman: Senator Everett.

Senator Everett: Since Mr. Irving chooses not to explain...

Mr. Irving: Well, I am not saying that, but it is not as simple as though you are dealing

with shares on the stock market: one of these thriving areas where money flows freely and one thing and another. We have more problems down there.

We have to pay a high interest rate when we have no inflation and we have a lot of things. We have great problems.

Senator Everett: Would you think in principle that it might not be a bad idea?

Mr. Irving: Well...

Senator Everett: Let me put it another way. It is not fair for me to try and pin you down because you have enumerated the facts that being in New Brunswick has put you in a peculiar position as a newspaper owner and a man of considerable wealth. Could you tell me whether it is your feeling that chain-owned newspapers and conglomerate-owned newspapers might well better serve the public by allowing some form of community participation?

Mr. Irving: Well, now, I can answer you generally from a business standpoint, and again it depends where you are and what is your pattern of operation and how are you going to remain to live in a certain area, and one thing and another, and so on.

If it gets right down to newspapers, I think you could ask Mr. Costello, but when it comes down to a matter of business, I have developed a pattern and for a very good reason. If I change it, why then I would have to wait to see what the outcome would be or what it would be in some cases, and other cases it would be all right; so why change something that works all right. Leave it alone.

Senator Everett: You are speaking from a financial point of view?

Mr. Irving: I am speaking from a business standpoint; financial and general business and that sort of thing. It is easy to come up with ideas, but oftentimes unless you are sure of yourself, they do not work.

Senator Everett: Mr. Irving, could you tell me whether you would have any objection to the publication of the financial statements of the individual newspaper and radio properties that you have?

Mr. Irving: Oh, I have not any great objection, if it is considered by everyone that it should be. I have never objected to issuing statements. However if there is no reason to

issue them, why issue them? But I have never objected to that.

Senator Everett: One might put the case that newspapers, for example, are a public trust and that the public does have a right to see the financial side of the operation of a newspaper.

Mr. Irving: I do not see why newspapers should be singled out. You have many other businesses that are just as much a public trust as a newspaper; perhaps more so—but anyway, just as much as a newspaper.

Senator Everett: Do you think that you have been of service to New Brunswick in any way by buying newspapers, radio stations, by owning this conglomerate of press interest?

Can you make a case that New Brunswick would have been worse off in this regard if you had not stepped in?

Mr. Irving: Oh, maybe somebody better than I would have stepped in—so how could I say that?

Senator Everett: One last question, Mr. Irving. Have you any comments on the estate tax act?

Mr. Irving: I beg your pardon.

Senator Everett: Have you any comments on the estate tax act as it refers to your newspaper interests?

Mr. Irving: Well, who would not have rewritten it if he had had the opportunity?

The Chairman: That is his comment, I think. Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman.

Mr. Irving, as I read your brief and listen to you here today, I am driven to ask this question: Do you advocate economic separatism?

The Chairman: Would you like him to explain what he means?

Mr. Irving: No; I think maybe I understand what he means, but that is quite a subject. We know where we lost our money, where it went to, and perhaps where it is still going. It is a little better deal now than we had for 90 years. I do not know whether it is the proper time to consider it or not, but I would certainly consider some changes necessary.

Mr. Fortier: Your favoritism or preference for local ownership, which permeates your brief and, indeed, your presentation today, is it of such a nature that if the occasion arose, you would prefer to step in rather than have a company controlled by people in Toronto or Montreal coming into New Brunswick?

Mr. Irving: Would you mind repeating the question, please?

Mr. Fortier: You say here, for example, Article 14 of your brief, that you have “no objection to the investment of outside capital in any enterprise located in New Brunswick. Such investment is necessary and welcome, but I favour local ownership.”

Mr. Irving: Yes.

Mr. Fortier: Now, my question to you, sir, is to what extent do you favour local ownership or how far would you go in order to insure local ownership in New Brunswick?

Mr. Irving: How far would I go or should others go?

Mr. Fortier: How far would you go?

Mr. Irving: How far would I go. I can only go so far, but I am not sure why you should ask that question.

The Chairman: Do you want to phrase the question differently?

Mr. Fortier: Earlier, in answer to questions from Senator Prowse, you acknowledged that you were an industrialist, a businessman, and I presume that when you acquire companies you acquired companies to make money, and indeed, you say it in your brief—that you have never derived any financial advantage, personally, or any member of your family, from the ownership of these media, these companies involved in the media.

Now, I thought I noted a reference, an allusion to the fact that when you purchased papers in New Brunswick, you did this in order to prevent non-New Brunswickers from purchasing the newspaper. Would that be a fair statement?

Mr. Irving: Well, now, I will have to go back to the early part of your question. You said when I purchase companies or start companies, it is for the purpose of making money.

Mr. Fortier: Yes.

Mr. Irving: I think that is what you said.

Mr. Fortier: That is what I said; yes.

Mr. Irving: Yes; well, I have purchased companies and started companies to create activity, not necessarily to make money. They might never make money but they would create a certain amount of activity. I would have invested the money far better if I had invested it just straight to make money directly in the stock market, perhaps, or something else.

I have invested to create activity and with new money created, why, it is all grist to the mill.

Mr. Fortier: Would you apply that statement to your acquisition of newspapers also in New Brunswick? Did you acquire them in order to create activity?

Mr. Irving: Well, none of the earnings of newspapers, if they have had earnings—sometimes they have and sometimes they have not—same thing applies to the radio, I think, and TV. I would have to look at the records of that, but they have invested, as we said, money in New Brunswick.

Mr. Fortier: Is that your explanation for acquiring newspapers?

I am genuinely curious about your reasons for acquiring newspapers in New Brunswick. I do not think you answered Senator Prowse earlier and he kept his question in abeyance and I would like to return. Why do you acquire newspapers?

Mr. Irving: Well, I think that—why do I. I would have to ask myself the same question.

Mr. Fortier: Someone once said about mountain climbing, because they are there.

Mr. Irving: Perhaps.

The Chairman: Would you like to answer that question?

Mr. Irving: You know, that is pretty hard to answer.

The Chairman: I think it is a fair question.

Mr. Irving: All right, could you say, "Why do you buy something else?" Why do you buy a ship or something else? I suppose there is a very good reason; there is the opportunity of creating earnings and that sort of thing, rounding out your—increasing your activity and in the province and your interest, I would say. But it is not the answer you are looking for; I do not think.

Mr. Fortier: I am looking for any answer, Mr. Irving, any specific answer. I am looking for your answer.

Mr. Irving: Well, you know, it is kind of hard to tell you that.

Mr. Fortier: Well, your acquisition of the Saint John papers goes back 20 or 30 years. Let us go back to the acquisition of the majority interest in the University Press of New Brunswick. Why did you acquire a majority interest at that time?

Mr. Irving: Well, it was for sale and I bought it.

Mr. Fortier: Do you buy anything that is for sale?

Mr. Irving: If it is a reasonable buy and providing I have the money.

Mr. Fortier: When you are dealing, do you treat the acquisition of newspapers any differently than you treat the acquisition of any other commodities?

Mr. Irving: Well, I don't. You have to select your commodities.

Mr. Fortier: Well, I think it is for you to do that.

Mr. Irving: All right. So far as a good commodity itself, I deal with all good commodities and I put the newspaper business in the same category.

Mr. Fortier: Would the fact that the newspaper in New Brunswick could conceivably have been purchased by a non-Maritimer influence your decision to acquire it?

Mr. Irving: Oh, we have seen so many things go out of the area to the Maritimes that I would say I would rather buy it than have it go out; yes.

Mr. Fortier: Now we are back to my original question of economic separatism. Do you consider that by purchasing assets in New Brunswick, such as newspapers in order to prevent them from being purchased by non-New Brunswickers, you are in fact advocating economic separatism in Canada?

Mr. Irving: No; not necessarily, but I would say to a great degree, a greater degree than what exists at the present time.

Mr. Fortier: Senator Everett asked you some questions or established for the record, the concentration of the ownership in your

hands of the written and electronic media in New Brunswick.

Do you have any interest, and financial interest in the written or electronic media outside of New Brunswick?

Mr. Irving: Not that I am aware of.

Mr. Fortier: Am I to interpret that answer as I understand it? In other words, if you did, it would be a pure accident and you would not know about it?

Mr. Irving: That is correct.

You may have a little overlapping of provinces, you know, but based in New Brunswick; that is correct.

Mr. Fortier: Would it be in the interest of Canadians generally, Mr. Irving, if in all other provinces of Canada there was a locally controlled corporation with the same concentration of ownership of the media as there is in New Brunswick?

Mr. Irving: Well, now, I think I should leave that to Mr. Costello.

Mr. Fortier: I would rather you answer the question.

The Chairman: I think, Mr. Irving, in fairness, the questions you want to leave Mr. Costello so far I have agreed on. I think on this one, it is a fair question to ask you.

Mr. Irving: Would you mind repeating the question?

The Chairman: Repeat the question, Mr. Fortier.

Mr. Fortier: Would it be in the interest of Canadians to have in all other provinces corporations, similar to the one which Mr. K. C. Irving owns and controls in New Brunswick, which would own to the same degree or controlled to the same degree, the mass media, written and electronic?

Mr. Irving: Well, this is Canada, you know, and we are dealing with Canada as a whole. We have about 620,000 people down there, roughly 400,000 of them are English speaking and our papers cover—the combined circulation of all five papers which you are referring to today is only about 102,000. That is not a great amount of circulation in the hands—well, say, if you get right back to the one company such as K. C. Irving Limited.

Mr. Fortier: What amount of circulation and penetration would become too much, Mr. Irving?

Mr. Irving: Oh, you should not confine us in New Brunswick, you know, to being too mousy in size. Let us get off the ground. That is something which is worthwhile talking about.

Mr. Fortier: Would you care to answer my question, how much would be too much?

Mr. Irving: On that, I would not know. I would not know.

The Chairman: May I perhaps put the question another way? Would you be concerned, Mr. Irving, to what extent are you concerned about a concentration of ownership in media field generally? Is it a problem which worries you?

Mr. Irving: No; it does not worry me at all.

The Chairman: Aside from New Brunswick.

Mr. Irving: But if it was all owned in Ontario, I would be very much concerned.

The Chairman: I think that is the point that Mr. Fortier was asking you. If one person owned all of the newspapers in Ontario, you would be concerned?

Mr. Irving: Yes.

The Chairman: That is fine. I think that is it.

Mr. Irving: I am not concerned, but you put a hypothetical question, you see, and so I suppose...

The Chairman: Quite. I think that is the question he was asking you.

Mr. Fortier: If one person controls all of the English newspapers in Ontario, you would be concerned?

Mr. Irving: Not in Ontario.

Mr. Fortier: No?

Mr. Irving: If I lived in Ontario and had head office in Ontario and had all of the newspapers of Canada; isn't that what you are asking?

Mr. Fortier: I must not have expressed myself well. I meant to suggest, there is someone in Toronto, Mr. Irving, who with respect to Ontario is in the same position as you are

with respect to New Brunswick and someone in Manitoba who is in the same position in Manitoba as you are in New Brunswick and so on across Canada. Would that be in the public interest?

Mr. Irving: Oh, well...

Mr. Fortier: To have 10 K. C. Irvings?

Mr. Irving: It all depends on individuals and companies and I think you judge by performance.

Mr. Fortier: So it is not inherently—concentration of ownership is not inherently against the public interest?

Mr. Irving: No.

Mr. Fortier: And is there a point where you envisage that it could become against the public interest or is it always a question of administration?

The Chairman: I think the witness answered by saying if one person in Toronto owned all of the newspapers in Canada, he would be concerned, so obviously there is a point, I think.

Mr. Fortier: You envisage the point could arise; this point of, this degree of ownership?

The Chairman: You said that a moment ago.

Mr. Irving: Yes; yes, I did on that one point, but it doesn't take a newspaper...

The Chairman: I do not mean to put words in your mouth, Mr. Irving. I think you did say that.

Mr. Irving: Oh, yes. I did.

I did say if all of the newspapers of Canada were controlled by one person or a company that had its head office in Ontario...

The Chairman: Or New Brunswick.

Mr. Irving: Oh, yes. It would be wonderful.

Mr. Fortier: Mr. Irving, if the suggestion was made to you that in the event of an editorial in one of your newspapers in New Brunswick, in the event that this editorial affects, directly or indirectly, a company which K. C. Irving has an interest in, if the suggestion was made to you that disclosure of such an interest should be made, let us say, at the bottom of the editorial page where the editorial appears, would you favour that policy in your newspapers?

Mr. Irving: Excuse me. I missed your question there, but I would like to just correct one thing, that when I said wonderful, it was facetious, a facetious remark.

The Chairman: We understood that. My suggestion of one person in New Brunswick was also facetious.

Would you rephrase your last question, Mr. Fortier?

Mr. Fortier: In an editorial in any one of your newspapers, if it affects directly or indirectly a company in which you have an interest, would you favour the suggestion that such interest should be disclosed in the newspaper?

Mr. Irving: I would have no objection. I am talking now not as a newspaper person, but...

Mr. Fortier: As owner.

Mr. Irving: All right, or a business person, but I have nothing to hide. So far as editorials saying that, sure; it would suit me fine if it made sense.

Mr. Fortier: Have you ever considered recommending to your publishers that they adopt that policy?

Mr. Irving: No; I have never considered that and do you know that would be quite an undertaking to police.

Mr. Fortier: That is an understatement.

The Chairman: May I say to the Senators that we do have two newspapers to hear from two publishers this afternoon. While I do not want to terminate this most interesting questioning of Mr. Irving, we particularly appreciate his cooperativeness, I would ask now if we could perhaps terminate the questions.

Would you, before you close your file, Mr. Irving, there may be several more questions. I am saying to the Senators that I would like to proceed with the next publishing company or publisher. Could we see if there are any other questions before you step down now?

Senator Bourque, may I let Mr. Fortier finish?

Senator Bourque: Fine.

The Chairman: Then Senator Bourque, Senator Prowse.

Mr. Fortier: Could you turn to Page 5 of your brief, Paragraph 16? I will read the

second sentence of this paragraph: "It is my contention that no individual or company or group of companies should be denied the right to publish a newspaper or a group of newspapers in a free society."

If I substitute the word "own" for the word "publish" in that sentence, would you still endorse it?

Mr. Irving: Company or group of companies should be denied the right to own—no; I would say own and publish, so far as I am concerned. Yes.

Mr. Fortier: You do not publish your newspapers. Mistert Costello, Wardell, and—Moncton, publish your newspapers?

Mr. Irving: Yes; that is correct.

Mr. Fortier: Am I right in saying that we should read as your own statement here, the word "own" rather than publish?

Mr. Irving: Well, I think own or own or publish, and own and publish.

Mr. Fortier: You would make no distinction between the two?

Mr. Irving: That is right.

Senator Bourque: There is one paragraph here on Article 13, Article 14, Page 4, which appears to be very strange to me. I do not quite understand this article 14.

I think Mr. Irving evidently is a man of great wealth with many financial interests in New Brunswick. He must, therefore, be a very influential man in that province. Does Article 14 mean that he is not in favour of outside capital coming into New Brunswick to avoid competition?

Mr. Irving: What is that?

The Chairman: I think the question is are you worried about outside capital coming into New Brunswick because it would be competition?

Mr. Irving: I meant what I wrote here and I said "I have no objection to the investment of outside capital in any enterprise located in New Brunswick. Such investment is necessary and welcome, but I favour local ownership."

Senator Bourque: Well, would not the fact that you have many controlling interests in most of the newspapers in New Brunswick, this might be very helpful in keeping competition away?

Mr. Irving: Now, well, I think you have to—if you do not live in New Brunswick, but if you lived there or in the Maritimes, I think you would know exactly what I am talking about here. We like to have ownership in New Brunswick. We like to have head offices in the Maritimes.

We do not like to see our companies acquired and head offices moved out of that area, that sort of thing. But we need know-how and you have to go abroad for that. We need markets, and by association and that sort of thing, you get markets.

You need capital and by association, you get capital and that sort of thing. So I have no objection whatsoever to people investing in there, but it is great to have local companies to as great an extent as is reasonable, in the province, with their head offices there and personnel.

If we had more such local companies, I think we would be exporting, as I said here in my brief in one place, less of our people each year. A lot of our people are getting that one-way ticket that was advocated for Cape Breton a few years ago.

Now, Canada Manpower, you know, well a lot of people are going out. Tremendous numbers are leaving and what we need is activity there to—and head offices there—hold those people and keep them there. That is what I mean.

Senator Bourque: Thank you.

The Chairman: Senator Prowse.

Senator Prowse: Would we perhaps understand that a little more easily if we were to read "control" for "ownership" where you say that, or do you mean actual ownership as opposed to control in New Brunswick, or are you concerned about the flow of capital?

Mr. Irving: Both. Control directs the future expansion and activities and investment and that sort of thing and then the cash throw-off gives you the necessary money to do certain things and you invest your money at home.

So many people like to see wheels turn and so they establish these things.

Senator Prowse: The other question has to do with—there are two things. One is a suggestion in the Fourth Estate published in Halifax, November 13, 1969. It raises the question that there is "speculation that the Halifax outlet, CHNS, has passed into the

hands of New Brunswick press, radio baron, K. C. Irving."

The Chairman: I think that question, in fairness was put by Mr. Fortier. He asked about outside New Brunswick enterprises.

Mr. Irving: That is Mr. Bagnell's; is it?

Senator Prowse: No; it is just the paper; it is the Halifax paper.

Mr. Irving: Oh, I see.

The Chairman: I think the question was put by Mr. Fortier.

Senator Prowse: Was the question also put, it was Mr. Bagnell's suggestion, that you have...

Mr. Irving: I beg your pardon.

Senator Prowse: I was going to ask the question, I did not hear Mr. Fortier ask the question. Perhaps it was not put as directly as this. There also is a suggestion that you now have an interest in the *Chronicle Herald*.

The Chairman: I think in fairness, the question about outside New Brunswick interests, was put by Mr. Fortier and Mr. Irving said he did not have such interest or that he was 'unaware' was the actual quote.

Senator Prowse: This gives Mr. Irving a chance to publicly state specifically the things that have been said.

The Chairman: Well, I think he stated specifically.

Senator Prowse: I am not trying to badger him.

The Chairman: I know you are not. I am just saying in fairness to Mr. Irving, the question was put by Mr. Fortier and related to all extra-New Brunswick activities.

Senator Prowse: Then I do not want to bother.

The Chairman: Unless, Mr. Irving, you want to add something.

Mr. Irving: Please do not ask me to answer that or all of the other articles that have been published.

The Chairman: I think before you leave, Senator Everett had a further question.

Senator Everett: I just wanted to get part of the philosophy before we question Mr. Ir-

ving's publishers. As I understand it, he does not buy newspapers, radio stations or television stations for financial return. He does not believe in community participation in his undertakings. He does not believe that he should have to publish or does not want to publish any financial information regarding his media undertakings.

And he does not believe that it would be possible for the media under his direction and control to disclose to the people of New Brunswick his vast holdings when they are dealing with those holdings.

Mr. Irving: Excuse me, those answers...

The Chairman: I think Senator Everett regards those as answers.

Senator Everett: I think those are answers you gave to questions asked.

Mr. Irving: Deal with them again, the first one. Would you mind asking it, please?

Senator Everett: The first one is that I gathered you don't buy for financial return.

Mr. Irving: I did not say that.

Senator Everett: I say I gather that.

Mr. Irving: Well, that is up to you, Senator, if you form that opinion, but I did not say that.

Senator Everett: What did you say?

Mr. Irving: I did not say anything, I don't think, on that.

The Chairman: Well, I do not want to start the hearing all over again because the information, of course, is on record. I think it is Senator Everett's understanding, Mr. Irving, that you said you do not buy newspapers to make money.

Mr. Irving: Oh, I did not say that. I did not so far up to now. I did not buy them for the purpose of acquiring dividends. I will say that immediately. Dividends are dividends. But I did not say I did not buy them for the purpose of them being profitable.

Senator Everett: No; I did not say that either. I said "financial return". You know, whether you get your return today, tomorrow, or five years from now, why you might be quite satisfied to see it remain where it is.

Mr. Irving: That is quite true.

Senator Everett: If you are interested in return, then I think you say you are interested. If you are not interested in immediate dividends, one can understand. One can say, "I will plow back my earnings into this enterprise and I am prepared to wait 20, 30, 40, 50 years, but I cannot understand why you are hesitant about clear statements."

There is nothing loaded in somebody saying to you, "Mr. Irving, are you interested in financial return on these newspapers that you buy?" That answers the question.

Mr. Irving: Now, you are asking K. C. Irving Limited.

Senator Everett: I am asking you, sir.

Mr. Irving: All right. I am President of K. C. Irving Limited. They have received no dividends. Now, did they then—you tell me, if you will please—receive any financial return? That is K. C. Irving Limited.

Senator Everett: I think that you already have answered that question. If the net value of those assets has increased, they might well have. I am asking whether you are interested in that or whether you, in fact, buy these papers for social reason.

Mr. Irving: A social reason?

Senator Everett: A social reason.

Mr. Irving: Most everything you do has a certain amount of social reason in it, but I bought those papers, very well, to make businesses out of them and what is a business.

Senator Everett: The question is simple. I just say, "Do you buy for financial return?"

Mr. Irving: Nobody has got any financial return yet out of those papers. Is that clear?

Senator Everett: That is right.

Mr. Irving: So K. C. Irving did not buy them for immediate financial return.

Senator Everett: In the form of dividends, we agree on that.

Mr. Irving: Right.

Senator Everett: Right.

Mr. Irving: Now, do you go farther than that?

Senator Everett: Yes; I do because I think it is very germane, before we question your publishers, to know your reason in owning

newspapers and television and radio stations, if it is a financial reason or whether there is another reason that we have not been able to probe that has to do with your big, vast holdings in New Brunswick, or your feelings as to how New Brunswick should run.

That is what is important to us in committee. If you say that it is financial return...

Mr. Irving: I believe that the newspaper business and newspapers, if well run, are good business. So I am interested in them from that standpoint, and, too, seeing that good people are in charge.

Senator Everett: So then, we can say that you are interested, albeit it the long range, in the long range financial return?

Mr. Irving: Yes; I am.

Senator Everett: That is all I wanted to know, Mr. Irving.

Thank you, Mr. Chairman.

The Chairman: Honourable Senators, on your behalf, I would like to thank Mr. Irving. Mr. Irving, I would suggest, if you possibly can, we would be grateful if you could stay while we are questioning your publishers. It may be there are just questions we referred to Mr. Costello and there may be questions arising when we are speaking to Mr. Costello and Brigadier Wardell which we may wish to refer to you.

I think, Honourable Senators, we will adjourn. We will reconvene at ten minutes past four and we will hear from Mr. Costello.

The Chairman: Honourable Senators, we will call the meeting to order, please.

Our second brief this afternoon is a brief submitted by the Saint John *Telegraph-Journal*. The chief witness is Mr. Ralph Costello, who is the President and Publisher of the Saint John *Telegraph-Journal*, sitting on my immediate right. The Honourable Senators will recognize Mr. Costello. He is returning to us. He was here the other day in his capacity as President of the Canadian Daily Newspaper Publishers Association.

He is accompanied by Mr. Thomas Crowther, on his immediate right, who is the Vice President and General Manager of the *Telegraph-Journal*.

On Mr. Crowther's right is Mr. Fred Hazel who is the Managing Editor of the Saint John *Telegraph-Journal*.

I am sure, Mr. Costello, you are now familiar with our procedure so I do not think I need to go through the usual announcements about briefs, etc. Your briefs have been received, distributed and read. You are now free to make a preliminary 15 minute statement if you wish and following that, we will have a question period.

Mr. Ralph Costello: President and Publisher, Saint John *Telegraph-Journal*.

Mr. Costello: Mr. Chairman, Honourable Senators, you have received the written submission of the *Telegraph-Journal*.

Now, under the terms of these public hearings, I propose to summarize our position.

I have conclusions and recommendations. I have been asked to do this in 15 minutes. It is with regret that I must inform you that I have found this impossible.

In the interest of justice—and I do not think that is too strong a word in the existing circumstances—I therefore am requesting the opportunity to give a summary of our position, to present our conclusions and recommendations—and, most important, an opportunity to defend myself and the newspapers I publish.

I do not have to tell you that the *Telegraph-Journal* and for that matter, the press...

The Chairman: May I interrupt you. You say you cannot do it in 15 minutes' time. How many minutes would you need?

Mr. Costello: I think 20 minutes.

The Chairman: All right; fine.

Mr. Costello: I do not have to tell you that the *Telegraph-Journal* and for that matter, the press of New Brunswick stands accused. And it is with regret—a regret I am sure the Honourable Senators will share—but it is with regret that I must tell you today I do not feel that I am here as a witness. Last week I appeared in another capacity and certainly as a witness. This week I feel like an accused.

Our newspapers have been accused of many things—direct accusations and thinly veiled accusations by inference or the use of hypothetical questions which have been about as hypothetical as a sledgehammer on the head.

Among other things—and practically on the eve of the opening of these hearings—our newspapers were accused of indecently burying a report on pollution when, in fact, the story had appeared as a prominent part of a full page, Page 1 display in the city where the story originated and where the pollution problem existed.

It has been suggested on several occasions that we have failed in our public responsibility because we have not campaigned editorially against the danger of pollution in New Brunswick.

It has been suggested that "balanced news coverage might suffer in a labour dispute in New Brunswick."

And the Honourable Senator from New Brunswick—Senator McElman—who sits as a member of this committee has publicly pledged to do everything possible to bring about the creation of what he terms an independent press in his home province. The inference is that such a press does not exist.

He has gone farther. He has called not only on the Senate to investigate the press of New Brunswick—as well as the press of all Canada—but he has called for an investigation under the Combines Act and he has suggested to regulatory bodies that consideration be given to directing the owner of the newspaper to divest himself of interests in radio and television.

My references to Senator McElman should not be misinterpreted. I make them without malice and with no ill will—I am not here to argue his right to make these statements—but I do ask the right to state and state fully the case of The *Telegraph-Journal*.

Let me start by posing a purely hypothetical question.

In a situation of conglomerate ownership where the owner happened to be involved in shipbuilding, and shipping, pulp and paper, transportation, construction, woods operation, bus lines, mining, hardware—to name but a few—would publishers and editors of a newspaper owned by the conglomerate be able to report fairly about their employer's other enterprises?

While this, as I have indicated, is a purely hypothetical case, let us assume that it could happen and that the question is a valid one.

My answer is: "It is hard enough for a newspaper man to do a good job and all those things you cite would make it harder."

That answer may have a familiar ring.

It is the one given earlier in these hearings when a similar question was put by Senator McElman.

I am not able to improve on Mr. Farrel's answer.

It is harder. But that is not to suggest that it cannot be done, that it is not our objective and that we are not achieving our objective.

But it is harder. It is more difficult.

Now, in New Brunswick we have difficulty in publishing newspapers—and holding the public confidence—not because of any interference or direction from the owner, but mostly because of questioning and criticism by people such as Senator McElman.

This in all honesty has a tendency to keep us off balance.

If an Honourable Senator suggests that a newspaper is giving a story a wide berth because of its owner's interests—or that labour might not get a fair shake in a labour dispute—and if the Senator makes the statement often enough, like the relentless drip-drip of the Chinese water treatment, then some people are going to believe him.

But the public—Senator McElman included—is entitled to criticize, so we live with it.

It is harder. It is more difficult.

But Honourable Senators, newspaper publishing is made up of difficulties. We live with them every day. We do not expect to see them go away.

I do not recall a day in the publishing business that has not been difficult.

So, Honourable Senators, what are you searching for in these questions and in this inquiry?

Are you searching for the ideal?

Because if you are, you are in for a disappointment. You are not going to find it on this earth. You certainly will not create it by any form of government legislation or regulation.

I believe you were impressed by the brief submitted by the *Windsor Star*, by the publisher and his philosophy about newspaper publishing. I know I was.

Here was an independent newspaper and an independent publisher with no interest in radio and television, speaking only for the community interest and the Canadian interest and, incidentally, campaigning against pollution.

An ideal situation? Yes. Or at least close to it.

I happen to believe the *Windsor Star* is a fine newspaper and that it will become a great one under its present publisher, if it is not a great one already.

But that does not mean that an independent newspaper—with absolutely no other involvement—will always be in a position to do a better job in its own community, or that its publishing principles will be higher or more professional than those of a newspaper owned by a group or even a conglomerate.

You Senators heard the editor of the *Windsor Star*—a fine and respected editor—say they are so concerned about court cases that they will keep a young person's conviction out of the newspaper if someone shows enough interest in the youth to come to the newspaper and plead his case and promise to take an interest in the youth in the future.

I noted that several Senators nodded approval of this high principle—this act of Christian charity and understanding.

Gentlemen, I could also tell you and convince you, I think, that this very practice could also be described as an act of discrimination—an extension of one of society's great failings, the problem, which I sincerely believe does exist in our country, of one law for the rich and one law for the poor.

Because it is as simple as this—which youth, the son of an affluent family or the boy from the other side of the tracks—is likely to have someone come to the newspaper to plead that the boy's good name not be ruined by publication of a conviction?

I do not make this point, Honourable Senators, to criticize the *Windsor Star*, but merely to illustrate that even on a newspaper which in many ways appears ideal—a crusading, independent newspaper and an independent publisher—there are problems, there are difficulties and some policies, which in my view, do not stand up well under close scrutiny.

Senator McElman has raised the point of labour coverage in New Brunswick. He has expressed concern that in a labour dispute balanced news coverage might suffer.

Honourable Senators, it has suffered.

There is no need for Senator McElman to speculate on this subject. We have found it very difficult—an experience not uncommon across Canada and indeed in North America—to obtain and report management's position in labour disputes.

And there is no need for Senator McElman—who has identified himself as an avid reader of the *Telegraph-Journal*—to speculate on how labour disputes might be covered. He has seen coverage of labour disputes.

The most notable example, I expect, was the strike at Irving Refinery. That strike took place in late 1963 and early 1964 and in February a tabulation showed that the newspaper had published 99 reports—two of which originated with the company.

This indicates it is difficult to obtain a balance in reporting labour situations, but I do not think it is exactly the point Senator McElman was attempting to make.

Incidentally, on reflection, in the same circumstances, would we report the strike of 1963 and 1964 now as we did then? I doubt it. I think we would do a better job—a better job for labour and hopefully, a better job for management.

We are six years older and, like many newspapers in Canada, six years better.

I think it is important for this Senate Committee to understand that the *Telegraph-Journal* is in a period of change. We are not leveling on the scale of the metropolitan newspapers, but we are developing and the newspaper of 10 years ago would hardly be recognized. Certainly it would not be accepted by our readers.

The development of the newspaper is taking place under the present owner but not under his direction. That happens to be my job. There is never a day when I feel that I do it well enough, but if the newspaper does not stand up under public examination, then that is my problem, and my responsibility. Whatever our failures, they do not occur because K. C. Irving Ltd. is the owner.

In fact, any improvement in the *Telegraph-Journal* in recent years has taken place because the owner said he felt a better newspaper should be produced. He felt New Brunswick was entitled to a better newspaper.

He asked me if I could do it and I said yes. He said go ahead. That was in 1961 and I believe that was the last directive I had from him in connection with the newspaper.

How good are our newspapers?

Well, they do not satisfy Senator McElman—and they certainly do not satisfy me. But they do improve. The newspapers being published today are better than the previous year and one day we may produce a newspa-

per which will satisfy the public, but I doubt if *The Telegraph-Journal* will ever satisfy Senator McElman or its present publisher.

In Exhibit No. 1, I am submitting samples of *The Telegraph-Journal's* editorial page and op-editorial page. These samples will demonstrate, I believe, the type of newspaper which is being produced in New Brunswick. I also am submitting, as Exhibit No. 2, a breakdown of a comparison of editorials appearing in *The Telegraph-Journal* during the period December 1 to 11 in 1969 and for the same period in 1959. They tell their own story.

I expect someone somewhere is examining or has examined our newspapers and will report to this committee, but I hope the Honourable Senator on this committee will also examine the samples submitted today.

In Exhibit No. 3, there are samples of editorial pages of a few years ago. At the time we suffered from what is known in the trade as an acute case of Afghanism. We are often bold editorially on solving border troubles in Afghanistan and Pakistan, but many a local problem, including pollution, got little more than Nelson's blind eye.

The Telegraph-Journal was not the only newspaper suffering from this ailment. Many newspapers in Canada and the United States were similarly afflicted.

But if we have improved, if we do purport to be a daily newspaper, where is the evidence of our editorial campaigns against pollution of the Saint John River—a subject the Honourable Senators have heard so much about in recent months?

Why has *The Telegraph-Journal* failed to stop pollution of the Saint John River when newspapers all over North America have been so successful in halting pollution? Or has pollution been stopped everywhere but in New Brunswick?

First let me make one thing clear. *The Telegraph-Journal* has not campaigned against the Fraser Companies mill at Edmundston, the McCain Plant at Florenceville, the provincial government which built the dam at Mactaquac and the Irving Mill at Saint John. And all have contributed to pollution of the Saint John River.

Secondly, I should make the point that pollution is not confined in North America to the Saint John River, though I believe most Honourable Senators would know that.

So pollution does exist all over North America—and the U.S. Senate has just voted

one billion dollars to fight water pollution, while in Canada we are familiar with the steps being taken by the federal government in its fight against pollution.

But does the fact that pollution exists elsewhere excuse *The Telegraph-Journal* if it has been negligent in campaigning against this international problem? No; *The Telegraph-Journal* is not to be excused any more than the newspapers and the governments and the people all over North America who waited too long before becoming aware of the great problem which has been created by our shortsightedness.

But neither, in my view, should *The Telegraph-Journal* be singled out and condemned as a lone criminal when so many others have shared in the crime.

But regardless of whether we stand alone or in the company of others, is there some specific reason why *The Telegraph-Journal* has not lead a campaign against pollution? Is there some reason, for instance, why we did not see the problem more clearly and report it to the public when the Mactaquac Power Development was being built? Why did we not demand that this multi-million dollar power development be stopped?

A few years ago I think Senator McElman could have given you an answer to that question. At that time he was widely acknowledged to be one of the most powerful and influential men in the province as Premier Robichaud's executive assistant. At that time he thought as a New Brunswicker.

I may have missed something along the line, but there is no public evidence to my knowledge that Senator McElman had this great concern about pollution when he was active in New Brunswick as the premier's right hand man.

I therefore have no way of knowing what he thought at that time, but I suspect he thought as a New Brunswicker and that he and many others were so concerned with finding industry that the dangers of pollution were ignored.

And possibly this has been a subconscious influence on *The Telegraph-Journal* as well. But if we have failed, we have plenty of company. The whole North American continent is plagued with pollution.

That is not an excuse for any failure on our part.

It is a bit of public soul baring.

This answer may not satisfy you, but it should be understood by Senator McElman who knows that until very recently New Brunswick would all but sell its soul for a new industry.

Honourable Senators, I have several recommendations to place before this committee.

1. That this Special Senate Committee on the Mass Media take no action which would encourage the government of Canada to have any direct involvement in the creation of a Press Council.

2. That this Special Senate Committee on the Mass Media recognize that there are its natural course. If a Windsor experiment is Star, which strongly favour a Press Council and undoubtedly will proceed on their own, and that any such program be allowed to take its natural course. If Windsor experiment is successful newspapers will be hard pressed to ignore it.

If it is not as successful as some publishers believe it will be, then it should be permitted to gracefully die a natural death, at which time the report of its demise could be given an indecent burial on Page 27 of the farm edition.

3. That this Special Committee on the Mass Media recognize it is in an excellent position to test the Press Council theory by performing just as a Press Council would do—by reporting the strengths, weaknesses and failures, if any, of the press of Canada to the people of Canada.

By doing this—and no more—you will give everyone an opportunity to determine the potential value of a Press Council. If the Press of Canada has sinned and is exposed, will it correct its sins? In other words, will the Press Council concept work in Canada?

4. That Senator McElman withdraw completely from this committee. I make this recommendation in our mutual interest and again I stress it is made without ill will.

I believe this committee is handicapped by his presence. I look on him as an accuser and a prosecutor, and I do not suggest that he should be anything else, or anything less. But the validity of these hearings surely is open to question if our accuser and prosecutor is also to sit in judgment.

Honourable Senators, surely it is recognized that Senator McElman does sit as a prosecutor, day-by-day building his case, quietly and meticulously making his subtle points—ar

expert in the use of the Chinese water torture treatment.

In a letter which appeared in *The Daily Gleaner* of Fredericton on October 23, 1969, over the signature of Senator McElman, the Honourable Senator wrote:

"I intend to continue my efforts against pollution and to achieve an independent press in New Brunswick."

We know that Senator McElman does not consider that the press of New Brunswick is independent as it now exists—and a month in advance of the opening of these hearings, he clearly defined his position. It was not to hear evidence and then give judgment. His mind was made up about the press and he would continue his efforts even while sitting as a member of this committee.

Mr. Chairman and Honourable Senators, to me, such a situation is intolerable. The question I put, Mr. Chairman, is: Will the Honourable Senator from New Brunswick withdraw in the overall interest of this committee so that it will not be impaired—either in fact or in public opinion—in the service it is attempting to perform for the press of Canada and the people of Canada?

The Chairman: Thank you, Mr. Costello.

In view of the fact that your statement ran some five minutes longer than is prescribed in the guidelines, I am sure you will allow me just 30 seconds to reply to one aspect of your comments. That is to say that personally, and I know I speak for all the members of the committee, I very much regret that you feel that you are being persecuted or that you feel accused.

I can only assure you, as I have on several occasions, that certainly this is just simply not the case. No one is on trial here—not Mr. Irving, not you, Mr. Costello, and indeed not Senator McElman.

He is one member of a 15-man committee. I think the committee is graced by his presence. He is a valuable member of the committee.

While we appreciate your recommendation, and we will again re-examine it because you have made it here today, I must say that this is a matter which, of course, has been considered because it has been brought to our attention before in your editorial comment in your newspaper.

We are aware of your opinion and I can only reassert and underline and stress that no one is on trial, not you, Mr. Costello, not Mr.

Irving, but I must add in fairness, not Senator McElman.

Therefore, having said that, I think we will proceed to the questioning. I think Senator Prowse is first.

Senator Prowse: I gathered from your statement, Mr. Costello, Senator McElman actually is doing you a great favour by helping you to do a better job.

Mr. Costello: Well, I think that I will be very unhappy if the press of Canada does not benefit from the hearings and if we all do not do a better job. Frankly, I think we could do a better—I think we could do better without the help of Senator McElman. However, perhaps he is really a friend in disguise.

Senator Prowse: It sometimes happens. One question I wanted to ask, a hang-over from the other, it looked like you took a personal interest in the answer.

That was, did you receive a complaint from Brigadier Wardell regarding the pressure that Mr. Irving referred to had been put on Brigadier Wardell by the Provincial Government?

Mr. Costello: No. There was no such complaint. This is something going back a number of years. You are talking about CDNPA. There was no such complaint to my knowledge. I do not think this would be the normal course of events.

I think that an individual newspaper would fight endure this situation in its own circumstance. I do not think that it would normally go to CDNPA.

Of course, it would have an opportunity, but I do not think that it would be brought. It is very rare that a newspaper feels persecuted.

Senator Prowse: As a matter of fact, it is not at all unusual anywhere in Canada, when governments change, for printing contracts, to move from one plant to another; is it?

Mr. Costello: I am not involved in that aspect of that.

Senator Prowse: The other question was brought up by Paragraph 13 in Mr. Irving's brief, about salary. The general effect is that the—our research figures indicated that the general median average was some 25 percent lower.

Mr. Costello: Yes. I would be familiar with the research figures and these figures were submitted as part of confidential financial

material. If it is the wish of this Committee, Senate Committee, we will be pleased to discuss fully our internal financial operations, exactly how we do things with the committee, but I would be most reluctant.

The Chairman: You would like to do it in camera; is that right?

Mr. Costello: Yes, of course.

Senator Prowse: That is fine.

You told us that it makes it more difficult for you to do a job ... being a member of a conglomerate group. What benefits accrue to the operation of the papers as the result, and to the readers of the papers, as the result of this group ownership, in your own experience? Let us not deal with theory.

Mr. Costello: I think in Canada, there have been great benefits in certain newspapers. I do not think that we frankly have experienced the benefits of any type of mutual cooperation. There still is a competitive situation in New Brunswick and we have operated.

There may be some minor benefits of exchange of knowledge, but there are no great financial benefits.

Senator Prowse: Although there is in effect, control of the company, you are still fighting individual platoons of individual fighters?

Mr. Costello: That is right.

Senator Prowse: So there have been no benefits that are obvious?

Mr. Costello: No.

Senator Prowse: You do not have a common...

Mr. Costello: Purchasing power and things of that nature?

Senator Prowse: No; or stringers in Ottawa or things like that?

Mr. Costello: No.

Senator Prowse: What is your objection to a Press Council?

Mr. Costello: What is my personal objection? I do not have a personal one. I think perhaps my greatest objections at this moment are that I do not think it would work.

Senator Prowse: You mean on a national basis?

Mr. Costello: I do not think it would work on a national basis and I think it would have much less success on a committee or provincial basis, in some areas.

I think it will work in Windsor. I think the people in Windsor would want it and I think the newspaper wants it and I think this is going to work. It may or may not accomplish very much, but I think this is something they are going to have.

I do not see it working in New Brunswick. I do not see it working in Nova Scotia papers. Perhaps a Nova Scotia paper would like to have it; I do not know.

Senator Prowse: Would you feel that—and this is a hypothetical question because I do not want to—

Mr. Costello: It is the kind that we get.

Senator Prowse: But suppose that, I gather that if we were...

The Chairman: Do you find hypothetical questions unacceptable?

Mr. Costello: Not a bit.

The Chairman: Carry on, senator Prowse.

Mr. Costello: They are more difficult to answer.

Senator Prowse: This is not going to be that tough. If the Senate were to initiate in the Senate, legislation to establish Press Council, would you object to that? You would, would you not, as a matter of principle?

Mr. Costello: Yes; I think so. I am also, trying to keep an open mind such as the Windsor situation.

Senator Prowse: What I was doing was this: Would you feel, at all, any objection in the report, the committee happened to come to the conclusion that it would be advantageous for the press if they were to set up their own Press Council, would you feel that that kind of an item in a report would be any kind of infringement?

Mr. Costello: No.

Senator Prowse: Because I gathered from one or two things that you might object ever to that.

How bad have postal rates hurt you?

Mr. Costello: Well...

Senator Prowse: In your circulation.

Mr. Costello: In our circulation, I believe we are down about 800, out of a round figure of 12,000. The postal rates remove the daily newspaper from a great many homes in New Brunswick and Nova Scotia.

Senator Prowse: If we wanted to suggest some kind of subsidy to make it easier to get wider circulation so that overlapping could occur with papers, which in your opinion would be preferable—lower postal rates or direct subsidy to the papers?

Mr. Costello: I would not favour any type of subsidy and if you are suggesting to me that the postal rates were in fact a subsidy to the newspaper, it has always been my opinion and I presume I must be wrong, that this was a subsidy to the reader in the rural area who could not afford a newspaper. This is the position which I have taken, the basis of it being that we have never made any money on those, on that circulation, so if it was a subsidy, it was not to our benefit.

Senator Prowse: I did not make clear what I am doing. I am thinking in terms of interest of the public and not the interests of the papers, at this point. But I am saying that if you, as the person who would be the immediate beneficiary, would you think it would be more generally satisfactory to have an indirect subsidy in the way of lower and easier postal rates to facilitate delivery to the customer, or a straight cash subsidy to the paper based on the number of outlying customers they had?

Mr. Costello: If either one were going to take place, the subsidy should be not—the subsidy should be to the direct benefit of the rural reader, if it is a subsidy.

Senator Prowse: Are you sure which way it would be better? You did not answer my question. It would be for the benefit of the reader, but...

Mr. Costello: We do not want the money in our newspaper, a subsidy.

Senator Prowse: But you would accept a lower rate? Because then it would be for everybody.

Mr. Costello: Well, we objected to the increase.

Senator Prowse: How do you handle dissent in your paper?

Mr. Costello: Very prominently. We—sometimes—when Senator McElman writes to us, we handle it on the front page and sometimes the major page 5, which is the opp-editorial page.

He is not the only one who disagrees with us, but we value dissent very much.

Senator Prowse: This is a problem with a great many papers in Canada. Is there any way there could be set up some regular page of dissent or something like that?

Mr. Costello: A good number of newspapers have done this. It may not go to the extent of a regular page, but there are newspapers which have certain philosophies and some which may even give token support or editorial support to one party or one political form of thinking, but will encourage people of other parties. We now have columnists writing in the strangest places and I think there has been a great advance in Canada in that area.

Senator Prowse: I think, Mr. Chairman, those are all my questions.

The Chairman: Senator Everett.

Senator Everett: Mr. Costello, am I correct in saying you are president of New Brunswick Publishing Company?

Mr. Costello: That is correct.

Senator Everett: And you are Publisher of the Saint John Evening Times Globe and the Saint John Telegraph-Journal?

Mr. Costello: Correct.

Senator Everett: Are you also the President of Moncton Publishing?

Mr. Costello: No; the New Brunswick Publishing Company is the owner.

Senator Everett: I realize that.

Mr. Costello: No; I am not President. I am Chairman of the Board.

Senator Everett: Chairman of the Board. Are you the publisher of the two Moncton papers that are owned by the Moncton Publishing Company?

Mr. Costello: No.

Senator Everett: Are you involved with New Brunswick Broadcasting as either Chairman or President?

Mr. Costello: Yes; I am, as President.

Senator Everett: You are President?

Mr. Costello: Correct.

Senator Everett: I gather that the *Evening Times Globe* is an evening paper and the *Telegraph-Journal* is a morning paper in the same city; is that correct?

Mr. Costello: Correct.

Senator Everett: Could you tell me if there is a separate advertising rate? Let us talk about retail advertising for a moment. Is there a separate retail advertising rate for each paper?

Mr. Costello: Yes; yes; there is.

Senator Everett: Could you tell me what that rate is?

Mr. Costello: Well, we can give you—I think we can give you the rate cards or Mr. Crowther might read off the rates.

The Chairman: I think we have the rates. I think it is adequate for him to read them in answer to the question.

Mr. Thomas Crowther, Vice president, General Manager, The Telegraph-Journal: Transient, it would be the evening paper, would be 15.3 cents a line and the transient rate for the *Telegraph-Journal* is 9.28 cents a line.

Senator Everett: What lineage is that?

Mr. Crowther: That is transient. In other words, a casual advertiser coming in.

Senator Everett: What is your minimum contract?

Mr. Crowther: The minimum contract, we go down in the evening papers, down to 9.5 cents per agate line which is the lowest contract. It is the highest contract but the lowest rate.

Senator Everett: What is the annual lineage it gives to 7.5 cents rate?

Mr. Crowther: The average lineage would be a million lines.

Senator Everett: Let us take 25,000 lines. Is there a 25,000 line contract?

Mr. Crowther: Well, you see, Senator, we have two classes of rates. We have a frequen-

cy rate which is based on three insertions per week.

Senator Everett: No; I am talking about contract.

Mr. Crowther: Yes; well, these are contracts.

Senator Everett: All right. I am talking a lineage contract, not the frequency.

Mr. Crowther: All right. If you want to talk about bulk, you are talking 25,000 lines, because I should tell you that we have two classes of rates for retail. We have frequency rates and we have bulk rates.

Senator Everett: Then I am talking bulk rates.

Mr. Crowther: You are talking bulk rates. I should point out that that low rate that I gave you is for frequency rates. That is a frequency. But the bulk, if you are talking 25,000 lines, the rates would be 12.8 cents per x lines in the evening papers.

Senator Everett: In the *Evening Times* and what would the same bulk contract be in the *Telegraph-Journal*?

Mr. Crowther: We do have that same bulk contract in the *Telegraph-Journal*; I should say we do not have that same contract in the *Telegraph-Journal*. There is a contract in the *Telegraph-Journal* which calls for the use of 60 inches per month in the *Telegraph-Journal* by a local retailer and that rate is a dollar per column inch.

Senator Everett: You have no agate lines in retail?

Mr. Crowther: In retail you mainly talk inch rates because this is what the retailer understands. When you are talking to national, you talk line rates because this is what national advertisers understand. I have given you in the majority the line rates.

Senator Everett: Let us talk inch rates then, if you want to.

Mr. Crowther: It doesn't matter.

Senator Everett: Do you have an inch rate for the *Evening Times Globe*?

Mr. Crowther: Yes; we have. The transient is \$2.15.

Senator Everett: I am talking for 25,000.

Mr. Crowther: You are talking 25,000 lines. On 25,000, the inch rate is \$1.80 per column inch.

Senator Everett: Is there a comparable 25,000 rate in the other papers?

Mr. Crowther: No, sir; there is not.

There is one contract available in the *Telegraph-Journal*.

Senator Everett: Just one?

Mr. Crowther: One, and that calls for the use of 60 inches per month and that rate is six dollars per column inch.

Senator Everett: I see.

60 inches per month would be 840 agate lines?

Mr. Crowther: About 830, 840.

Senator Everett: And what would 840 lines be roughly, 10,000 agate lines a year?

Mr. Crowther: Yes.

Senator Everett: What is the 10,000 rate then in the other papers?

Mr. Crowther: Well, we have a rate at 8400 lines and that is \$1.90. Then we have a rate at 16,000 lines and that is \$1.85.

I believe you have all these rates.

Senator Everett: No doubt we have now. Is there a combined rate if the advertiser goes to you and wants to advertise in both papers?

Mr. Crowther: Are you talking retail or national?

Senator Everett: Retail. I think I have been talking retail all along.

Mr. Crowther: Yes, you used the terminology combined.

Senator Everett: By combined I meant advertising in both papers.

Mr. Crowther: We have on the *Telegraph-Journal* a lift rate. Now if an advertiser places an ad in the evening paper, he would pay his contract rate that applies to the evening paper. If he lifts that ad to the *Telegraph-Journal*, he will pay 91 cents per column inch. In other words, this is nine cents under the contract rate.

Senator Everett: Nine cents less?

Mr. Crowther: Right.

Senator Everett: That seems very fair.

Mr. Crowther: I would think so. We never have had any complaints.

Senator Everett: No.

Could you tell me what depreciation, Mr. Costello, rate you apply to your equipment in the New Brunswick Publishing Company?

Mr. Costello: It is probably in the figures.

Mr. Crowther: Well, the depreciation rate, for example, on the building came under that classification. I do not know, but it would be the existing depreciation right out of the set up by the government.

Senator Everett: Would you use full rates allowable by the tax department?

Mr. Crowther: Yes; yes we would.

Senator Everett: Do you know what that rate is?

Mr. Costello: I have not got it.

Mr. Crowther: I have not got it. I could get it.

Senator Everett: I am sure your answer is in your replies.

Mr. Crowther: Whatever the government allows in a separate rate. We apply whatever rate is applicable under the government regulations.

Senator Everett: Just one last—maybe two last questions. Are you in job printing?

Mr. Crowther: No; we are not.

Senator Everett: Is New Brunswick Publishing? Are we talking about the same company here?

Mr. Costello: Yes.

Senator Everett: They are not in the job printing business?

Mr. Costello: No.

Senator Everett: This is probably impossible to answer, but I would just be interested to know, what is the life of press equipment on the average?

Mr. Costello: The major press?

Senator Everett: Yes.

Mr. Costello: Well, it is impossible to answer, but we have—

Mr. Crowther: 20, 30, 40 years.

Senator Prowse: 50?

Mr. Costello: It used to be 50.

Senator Everett: There is one question I overlooked when we were dealing with rates. Could you tell me what your classified rate would be?

Mr. Tom Crowther: Yes. Well, offhand it is four cents per word. It is four cents per word for the regular classified.

Senator Everett: What about a contract rate?

Mr. Crowther: We do not have contract rates. On straight classified, we have four cents a word for the one or two day insertion. We drop to three-and-a-half cents per word for three days, four days or five days. If it goes six days, it goes to three cents a word.

Senator Everett: That is casual insertion?

Mr. Crowther: Yes.

Senator Everett: What about someone advertising consistently?

Mr. Crowther: We do not have—this same rate applies and we do not have contracts for year around advertisers as such.

Senator Everett: What would your average income on a frequency basis be per agate line?

Mr. Crowther: I think that is a little difficult because you see, first of all, your straight classified operates per word charged.

Senator Everett: That is right, per so many words per line.

Mr. Crowther: Yes; but again, it is not something that we set up this way. We set it up on the basis of words and that is the way it operates. I can give you the lineage, if you want, of our classified, in lines, our total lineage, but I do not have it here.

I can give it to you, but I do not have here the breakdown between straight classified and classified display.

Senator Everett: No; that is all right. We are talking roughly \$1.90 on retail rate?

Mr. Crowther: Right.

Senator Everett: On the contract we supposed, what would the national rate be, or do you just have one rate?

Mr. Crowther: This is on display?

Senator Everett: That is right.

Mr. Crowther: On national, it is 29 cents per agate line.

Senator Everett: 29 cents per agate line?

Mr. Crowther: That is right.

Senator Everett: What did we say the per agate line charge was in retail on that contract?

Mr. Crowther: On the contract, we were talking—and I think we were talking 25,000; were we not?

Senator Everett: I think so; yes.

Mr. Crowther: On 25,000, the rate in the evening paper would be 12.8 and you have to include the morning paper, and the morning paper would be a transient—well, let me give it to you in inches; is that all right?

On 25,000 you will be paying \$1.80 in the *Times*, and if the ad was going in the morning paper, you would be paying the lift rate of 91 cents per column inch. Therefore, you would gross at \$2.70.

Senator Everett: Just under 20 cents a line?

Mr. Crowther: Yes.

Senator Everett: Against 29 cents.

Mr. Crowther: Right.

Senator Everett: Your national rate requires that the national advertiser then, I gather, advertise in both papers?

Mr. Crowther: Well, I think you should also understand, Senator, that our newspaper gross, the gross of 52,000 circulation, there is a minimum of duplication in our circulation.

Mr. Costello: Right.

Mr. Crowther: And, therefore, we offer the advertiser, the national advertiser, 100 percent coverage in Saint John, which is the largest market in New Brunswick, plus effective coverage in all 15 counties of the province.

Mr. Costello: We must not be defensive.

Mr. Crowther: I already have said—I am just giving the facts.

Senator Everett: I have already said that your lift rate of 91 cents is very reasonable,

but I am asking you a question. Is the national advertiser required to advertise in both papers?

Mr. Crowther: That rate that is quoted includes an insertion.

Senator Everett: Thank you very much.

The Chairman: Mr. Costello, does the *Telegraph-Journal*, in your opinion, have a public responsibility beyond the ordinary business enterprise?

Mr. Costello: Yes.

The Chairman: How would you define that public responsibility?

Mr. Costello: There is a responsibility to the people of the province; there is a responsibility held by any newspaper.

The Chairman: So that newspapers have special responsibilities over and beyond business enterprise?

Mr. Costello: Yes; and certainly any publisher would say so.

The Chairman: But you believe, I gathered, judging by your comments on press councils and other comments you have made, that—I do not want to put words into your mouth—the publishers are ends unto themselves in seeing to this public responsibility?

Mr. Costello: Of course, I believe there is a press council and I believe that it is our readers. I believe a press council does, in effect, exist in Canada, and that it is the public of Canada.

The Chairman: Thank you. Senator Smith.

Senator Smith: Could I just ask a couple of questions? I would like to clarify as to the effect of the increase in postal rates on your circulation. You made an answer to that question and I got lost when you mentioned a figure of 800. I was going to write it down, but then I heard something else. Would you mind going over that again?

Mr. Costello: We are down, I believe, 800 mail subscribers. They have stopped subscribing since the postal rate increase.

Senator Smith: That is out of how many mail subscribers?

Mr. Costello: I believe about 12,000.

Senator Smith: You had 12,000 mail subscribers and the balance would be delivered by other means.

Mr. Costello: Correct.

Senator Smith: Are these 12,000 mail subscribers all outside the City of Saint John or that metropolitan area and how far would the great bulk of them extend? Where does your circulation stop in the direction of going into Moncton and going up towards the *Daily Gleaner*?

Mr. Costello: It doesn't stop. We do not want it to stop. No; it covers the province. It goes to every section of the province Edmundston, Bathurst, etc.

Mr. Crowther: There is a very strong competitive situation for circulation with Moncton on the north shore and with Fredericton in the central section of the province.

Senator Smith: Have you ever had a system of doing your own delivery even long before the advent of the new postal rates?

Mr. Costello: Yes. We have been doing our own delivery.

Senator Smith: I do not mean in the city.

Mr. Costello: Yes. We truck to every section of the province. We truck direct to Bathurst with changes every day so that newspaper is there at 7:30 in the morning.

Senator Smith: What happens to them now that they are proceeded through the Post Office? Are they processed through the Post Office?

Mr. Costello: No. We are in good shape until we hit the Post Office.

Senator Smith: I am rather surprised that you would have that rather substantial proportion of your daily, your newspaper still delivered by the postal system.

Is there some special circumstances?

Mr. Costello: Yes. There is no other way that we have been able—no other system that we have been able to devise. Otherwise we would have.

Senator Smith: My comparison is always what I know best and that is what happens in the Province of Nova Scotia. The paper boy is at my door at eight o'clock in the morning. He beats me to it lots of mornings.

Mr. Costello: We get there at or about 7:30.

Senator Smith: It has nothing to do with mail at all. It has been that way for some years past.

Mr. Costello: That is by far the best way.

Senator Smith: I suppose this was done in the first instance in Nova Scotia because it must have been the economical way to do it; combined with good service, of course.

Mr. Costello: Yes.

Senator Smith: I think perhaps you have a special circumstance in which there might be a lot more people who are feeling the pinch, or you would have lost more than the 800 of circulation.

Mr. Costello: That is right. I will be surprised if you do not know the number that Halifax lost. You will hear about that.

Senator Smith: We will be getting those figures too. I have no knowledge of that because they are evening papers.

I asked you a question when you were up before. No. I did not ask you a question on the subject. I opened my remarks to you when I led off the discussion we had, and indicated that I read your newspaper on quite a number of occasions, particularly when visiting those grandchildren I mentioned out in the Saint John area.

I did say to you that I always found your paper very attractive and very readable and now by reading the brief, I think you have the answer to that; and that is that your news is 70 percent of the newspaper content and 30 percent is advertising.

I think that is perhaps what struck me. I am not used to reading newspapers with that high a percentage of news in relation to advertising.

Mr. Costello: You do not know how proud I am of it.

Senator Smith: Well, I know you are.

Mr. Costello, you certainly protected yourself to the extreme when you suggested that 45 percent news and 55 percent advertising would be an acceptable business standard. Do you really mean that? I mean is that what you would require to make a profitable organization?

Mr. Costello: Yes. In the morning newspaper; yes. It is absolutely necessary to have that.

Senator Smith: Do you know—this is not a fair question, perhaps—do you know what the average comparison between the contents of news and advertising in the average daily newspaper would be?

Mr. Costello: No; I do not.

Senator Smith: What would be the editor's standard of what would be a really acceptable thing so far as he is concerned, if he wants to put out a real good newspaper that his readers find attractive as I have found yours?

Mr. Costello: I think every editor would love to have a 70 percent news hole to fill, but the newspaper would not stay in business very long. The editor likes to have as much space as he possibly can get.

Senator Smith: Mr. Costello, is this because the extra cost of putting those extra couple of pages of news is beyond any return that you can get from the increased reader interest?

Mr. Costello: Well, it is really your advertising content has to balance off and news-print is a very major part of your expenses, a major factor in your expenses.

Senator Smith: Of course. The point I thought I was trying to make was that if there is a maximum of advertising that your people can sell, then in order to make a more readable newspaper, would you be rather afraid to put in a couple of extra pages of news to balance that up?

Mr. Costello: We do it every day in the *Telegraph-Journal*. That is why we have that 70-30 breakdown. We put in more pages in the *Telegraph-Journal* than we actually can afford.

Senator Smith: Thank you.

The Chairman: Senator Macdonald?

Senator Macdonald: You mention the 800 in circulation lost because of a postal increase. What would be the increase to the subscriber? How much would it cost him extra?

Mr. Costello: Six dollars per year.

Senator Macdonald: Six dollars per year.

Senator Smith: Have you already made that increase to your people?

Mr. Costello: Yes.

Senator Bourque: My question is if an advertising agency sent in a contract for say

500,000 agate lines, would this agency be entitled to use the space for, say 10 or 12 national advertisers, or would they be limited to one national advertiser, only one?

Mr. Crowther: One national advertiser.

Senator Bourque: Thank you.

The Chairman: Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman.

On this question of advertising rates, Mr. Crowther, to your knowledge, is there meaningful competition for advertising rates between Saint John and the Moncton papers?

Mr. Crowther: I would say that there is competition. We serve different markets, but certainly there is competition.

Mr. Fortier: What about the rates? Are the rates offered by Moncton papers similar to those offered by your newspaper?

Mr. Crowther: Well, number one, the contract rates are not similar, as a matter of fact. Number two, their rates would be in line with their circulation, which is fundamentally the standard for any newspaper. Therefore, our rates would be higher because we have a higher circulation.

Mr. Fortier: What about small retail advertising? I am not talking about national advertising rates.

Mr. Crowther: Retail advertising?

Mr. Fortier: Yes.

Mr. Crowther: Yes. Well, retail advertising, they have a completely different, as I understand it, a completely different contract set up to us.

Mr. Fortier: Mr. Costello, again on the question of this aspect of competition, but again on the editorial aspect of competition—my first question is this: Have your two newspapers in Saint John ever editorialized on any topic in opposition to one another?

Mr. Costello: I think not; no.

Mr. Fortier: My second question is have your newspapers in Saint John ever editorialized in opposition to any other newspaper in New Brunswick owned by Mr. Irving?

Mr. Costello: Yes; often.

Mr. Fortier: Could you give us an instance?

Mr. Costello: Yes. Let me try to pin down a few. I think the Moncton newspaper feels very strongly on Maritime union, for instance, and has proposed, promoted this without reservation.

The position taken by the Saint John newspapers has been that it is too early. We have approached it very cautiously and believe it should be approached cautiously.

The regional items perhaps are a little easier to understand to misunderstand. Moncton believes that there should be a medical school and it should be in Moncton for some reason. We believe it should be in Saint John.

Mr. Fortier: Why would that be?

Mr. Costello: I have not the slightest idea. On a more serious point, that of a regional airport for Brunswick, the Saint John newspapers believe again without reservation that there should be a regional, a major regional airport to serve Saint John and Fredericton and Moncton.

Moncton feels equally strongly that any expansion of airport should be in the Moncton area.

Mr. Fortier: Thank you.

At the time of federal or provincial elections, to your knowledge, have the Irving papers ever editorialized in favour of different candidates, that is of opposing candidates?

Mr. Costello: I do not think it is a matter of practice during the election campaign that the newspapers have been that active in supporting one party or another party.

Mr. Fortier: You say that has not been the practice?

Mr. Costello: No; no.

Mr. Fortier: Is it not the fact that in the last provincial election in New Brunswick, all Irving newspapers were overtly against the election of Mr. Robichaud?

Mr. Costello: No. What gave you that impression.

Mr. Fortier: Perfunctory reading.

Mr. Costello: Well, the newspapers had opposed many aspects of the Liberal Party's so-called program of equal opportunity and had done this and had commented as legislation was produced during the period that it was being introduced and carried on, I believe, a strong campaign.

The Saint John *Telegraph-Journal* popposed many things in the legislation. The Moncton newspaper, I believe, took a somewhat different position, but was not supporting the legislation. At the time of the election, the newspapers were not editorially supporting either party.

Mr. Fortier: Why is it that a chain of newspapers such as yours, of your importance, does not have a correspondent in Ottawa? Have you ever, as a publisher, Mr. Costello, considered the need for having a correspondent right here on the scene in Ottawa?

Mr. Costello: Is there a background for this question?

The Chairman: I do not think there is a need for background. I think the question stands by itself.

Mr. Costello: Yes; well, it does. You don't mind if I ask a question occasionally?

The Chairman: I do not mind if you ask a question at all, but I think that Mr. Fortier's question stands by itself.

Mr. Costello: It was a valid question. Have we ever considered having a correspondent in Ottawa? We do have a representative in Ottawa and we think a good representative in Ottawa and we also make use of the columns written by various people who are located in Ottawa.

Mr. Fortier: You say you have someone in Ottawa?

Mr. Costello: Yes; we have a representative.

Mr. Fortier: You have a correspondent in Ottawa.

Mr. Costello: Yes.

Senator Smith: Who is he?

Mr. Costello: Mr. Jackson who writes about three times a week and covers on hard news stories.

The Chairman: Does he report exclusively for the Irving newspaper?

Mr. Costello: No; as a matter of fact...

The Chairman: Does he report exclusively out of Ottawa for your paper?

Mr. Costello: No.

Mr. Fortier: Is this one of your priorities for your newspaper, to have a full time correspondent for your newspaper here, stationed in Ottawa?

Mr. Costello: I think it is not an established priority. It is something that certainly warrants consideration.

The Chairman: Do you think it is desirable?

Mr. Costello: I think we are getting very good coverage out of Ottawa at the moment. It would be very difficult to argue that it is not desirable but we have improved our Ottawa coverage very much in the last two or three years. We think we are getting good coverage from Ottawa.

Mr. Fortier: You were here most of last week, so you probably have heard this question before. If the owner of your newspaper gave you the funds necessary to have another correspondent, where would you send him? Where would you feel, speaking as a New Brunswicker from Saint John, that it would be most important for your readers to have on-hand knowledge?

Mr. Costello: Yes. Well, the owner of the newspaper is not involved in this in any way. This happens to be my responsibility and perhaps I should have answered in another way.

Our priority at the moment is the expansion of our coverage in New Brunswick and this is what we are involved in at the moment.

Mr. Fortier: In New Brunswick?

Mr. Costello: Right.

Mr. Fortier: Are we to read into your answer that you do not have enough reporters on the staff of your newspaper to do the spot inquiries as well as in-depth studies of small newspapers?

Mr. Costello: No. I would like you to read some of the samples I have submitted today. I think we are doing more of this.

Mr. Fortier: I am asking a question, Mr. Costello. You said in answer to an earlier question of mine you felt, did you not, that you did not have enough people in New Brunswick.

Mr. Costello: I said a priority at the moment was expansion of and locating people around the province.

Mr. Fortier: Where specifically is the weakness? Is it your access to people who can do in-depth reporting or is it your access to people who can be delegated to wherever they might be needed?

Mr. Costello: Right. There is always a weakness in finding people who can do in-depth reporting. We do not think that we are that weak, at the present time. We are improving. That is our aim.

Mr. Fortier: You said earlier, speaking about the Windsor *Star* in your original statement, you felt that they may well, the people of Windsor may well wish for a press council.

Mr. Costello: I believe that is the feeling of the publisher of that newspaper.

Mr. Fortier: What reason have you to believe the people of Saint John, New Brunswick do not wish to have a press council?

Mr. Costello: The point I made was that the Windsor newspaper itself wanted a press council and believe strongly in this. At this moment, I do not happen to share that feeling.

Mr. Fortier: My question...

Mr. Costello: I do not know what the people of New Brunswick want.

Mr. Fortier: You do not know?

Mr. Costello: I do not know if they want a press council.

Mr. Fortier: If you were told that the people of New Brunswick, people of Saint John, were in favour of a press council, would you withdraw your opposition to the institution of such a council?

Mr. Costello: I doubt it very much. I think it is difficult enough to publish a newspaper and I think the responsibility of publishing that newspaper rests with the publisher.

I think he should stand on what goes into the newspaper and stand behind it. Again, this may not stand up six months or a year or five years from now. I may feel very strongly that we should have a press council, but this is my feeling at the moment.

Mr. Fortier: At the moment, prior to making such a blanket statement, have you not felt it your duty to inquire around Saint John, New Brunswick?

Mr. Costello: No; I have not felt that my duty. My duty is to publish the best newspaper that I can publish.

Mr. Fortier: Did I hear you say earlier that insofar as the increase in postal rates was concerned, the practice which prevailed before was interpreted by you as a subsidy, not to the newspaper, but as a subsidy to the far-out people.

Mr. Costello: If, in fact, any subsidy existed and if, in fact, it should be called a subsidy, that was my only personal interpretation.

Mr. Fortier: I had understood you properly. My question to you is, would you as a newspaper accept any form of government subsidy?

Mr. Costello: I doubt it very much.

Mr. Fortier: In your preliminary remarks, you spoke about the alleged burial of a pollution story in your newspaper. I have here a press release, dated May 27, 1969, which starts as follows—and I will only read the first paragraph:

"Excavation work will begin this week on a million dollar pollution control system, being built as part of the St. Ann Mactaquac Pulp and Paper complex at Mactaquac, New Brunswick."

Do you recall the story?

Mr. Costello: Yes; I recall it.

Mr. Fortier: I also have before me a copy of Page 21 of the *Telegraph-Journal*, Saint John, New Brunswick, Wednesday, May 28, 1969. Under the heading "Obituaries", I read "Beginning work on pollution control system" and then I find two paragraphs of a 15-paragraph press release. Would you explain why this particular story was given the coverage that it was?

Mr. Costello: Yes. I think it was a horrible misjudgment on the part of the person who handled it.

Mr. Fortier: Mr. Chairman, would you file as an exhibit, subject, of course to Mr. Costello's explanation, the press release, and Pages 20 and 21 of the newspaper?

The Chairman: Fine.

Do any Senators have any other questions? Senator McElman.

Senator McElman: I might ask Mr. Costello, in what particular position in the newspaper was that Mactaquac story buried?

The Chairman: Well, I think, in fairness, Senator McElman, Mr. Fortier indicated where it was.

Senator McElman: I am sorry. I was reading something else.

The Chairman: Senator Macdonald, I think you have some questions.

Senator Macdonald: I wonder if Mr. Costello would give us his comments on the idea of the freedom of the press. You deal with it in Item 15 of your brief.

The Chairman: Senator Macdonald, you would agree that Mr. Costello dealt with freedom of the press extensively the other morning. If he does not mind answering the question...

Senator Macdonald: I am just trying to get his definition which is acceptable. You say "Freedom of the press is an extension of the right of free speech", Paragraph 15, Page 4.

I do not think, if I may make a comment first, that that is the traditional and perhaps legal definition. It would perhaps go a little further, and I quote from a speech given by Gratton O'Leary, who is a man of some knowledge in these matters, where he said "All that freedom of the press means is that the right of free speech has been extended to the printing press."

In other words, it is not only the newspapers which were given the extension of the freedom of the speech, but any printed matter.

Some of the witnesses who have been here have given a very much wider idea of freedom of the press in that they said it extends to freedom of the news media to go to the sources of news and to get news from such sources.

Senator Prowse: Right of access to news sources.

Mr. Costello: I do not know if that is a right. I think it is an obligation on the part of newspapers to do everything possible and to fight for the right of access.

Senator Macdonald: But do you agree with me there are two separate things? One is a right of access and the other is the extension of the freedom of speech?

Mr. Costello: I do not know if I agree with you. I think it is terribly complicated. I believe that freedom of the press is the right to express yourself.

Senator Macdonald: There is just one other thing I would like your comment on. The protection given to a reporter to protect his sources of news if he is asked, say in a court of law, if he is asked where he got a certain information—do you believe that there should be legislation to give him a privilege so that he would not have to reveal such sources?

Mr. Costello: I think that any such legislation should be very carefully considered. I think a newspaper does have to have protection. I think the great danger is that this protection, and if there is legislation, might be abused, that a person might hide behind this, might conceivably damage someone and then hide behind this.

I think it is worthy of very careful consideration but I have not got a firm opinion.

Senator Macdonald: Just one further thing regarding this freedom of speech or freedom of the press. You take the same attitude; you are very dubious if there should be legislation regarding it?

Mr. Costello: Yes. Because when it is defined, we are having difficulty in defining it; every publisher is having difficulty in defining it. But if it is defined in law, then chances are also that it will be restrictive and that is dangerous.

Senator Macdonald: Well, as I understand it, the freedom of the press though is already guaranteed in Canada by the Bill of Rights.

Mr. Costello: I hope so.

Senator Macdonald: So it is a case of interpreting what is meant by freedom of the press.

Mr. Costello: I would like to see it left with the widest possible interpretation.

Senator Prowse: To the Supreme Court of Canada.

The Chairman: Well, Senators, I want to turn to Brigadier Wardell as quickly as possible. I am wondering if there are any final questions. Mr. Fortier, do you have one?

Mr. Fortier: I have one question for Mr. Hazel. Mr. Hazel, as an editor, how do you

treat at your newspaper, public relations material?

Mr. Fred Hazel, Managing Editor, The Telegraph-Journal, Saint John: I am glad you did not leave me out. Public relations material coming from any particular source? Have you some specific source in mind?

Mr. Fortier: Well, start with public relations material emanating from government representatives.

Mr. Hazel: Well, I guess that is the big one because we get more from the government than from anyone else. We treat it all the same way. We try to apply the same basic principles; our aim is to apply them to information coming from any source to treat it by the criteria of its news value.

If you are speaking of government hand-outs, as we call them, we are very conscious of the fact that we do not want to be inundated by them, that we do not want to be used as a propaganda vehicle.

At the same time, we have a responsibility to inform our readers of any news that we have obtained. We look at them very carefully and try to handle them based on news value.

Mr. Fortier: Once you make that decision, that it has news content, do you edit it or do you publish it verbatim?

Mr. Hazel: In theory, we try to edit it because this is information given to us and we pass it to the reader. Sometimes, in the practice of deadlines, this not always possible.

Mr. Fortier: Thank you.

The Chairman: In Paragraph 8 of your brief, you make reference, Mr. Costello, you say "Many newspapers in Canada have achieved financial stability and a high degree of integrity and professionalism under group ownership." That is about six lines from the bottom of the page.

What specifically, what specific instances of improved integrity and professionalism can be cited for the *Telegraph-Journal* and other media acquisitions since their acquisition by the group?

Mr. Costello: Since acquisition? I would like to speak for the last 10 years or last nine years when there has been—when I was charged with bringing about an improvement

and if it is the wish of the Senate Committee, I would be very pleased to submit additional photostats showing the newspaper which we produced at that time and what is being done now.

The Chairman: Would you not think that most newspapers have improved over the past 10 years?

Mr. Costello: Yes; I do.

The Chairman: Whether or not they are members of groups. I am wondering specifically related to the group.

Mr. Costello: I think in that question, I said specifically here—no; I am sorry; that is another.

The Chairman: Well, you said...

Mr. Costello: Yes; "financial stability" under group ownership. What I am saying is that—and I am thinking of other groups, rather than our own—I do think they have financial stability and they have become great newspapers. Your question, I believe, was would they have become great anyway.

The Chairman: No. My question was would you give me specific instances of improved integrity and professionalism at your newspaper and other Irving media holdings since their acquisition by the group?

Mr. Costello: I think that we have improved professionally and I think that we do have a higher degree of integrity and professional awareness of our responsibilities to the people of the province and I think this is increasing all of the time.

The Chairman: With all respect, that is what you say. I want to be specific. What are some examples of this?

Mr. Costello: What are some examples...

The Chairman: Of improved integrity and professionalism since you have joined the group.

Mr. Costello: I think the publisher of the newspaper—it is not since we joined the group and I am relating that not to our own newspapers.

The Chairman: Do you relate it to your own newspapers? Could it be related to your own newspapers? In other words, have your own newspapers achieved, and to use your quote "financial stability and a higher"...

Mr. Costello: Yes; financial stability.

The Chairman: And a high degree of professionalism—integrity and professionalism under group ownership?

Mr. Costello: Yes.

The Chairman: Specifically, how—or what are some specific examples of improved integrity and professionalism since you became part of the group?

Mr. Costello: Well, actually I was not involved at the time. There have been two publishers in my time on the newspapers. I think this is a general statement, a statement of opinion, a statement that it is my belief and I am not even sure that I can pinpoint specific areas.

The Chairman: All right.

Are there other questions. I would like to get on to . . .

Mr. Fortier.

Mr. Fortier: I am sorry, but I forgot to ask this one earlier. Mr. Costello, you heard Mr. Irving an hour ago say that he would have no objection to having disclosed in any one of his newspapers at the bottom of an editorial, which directly or indirectly concerned another company in which he was interested, the fact of this interest.

How would you, a publisher, view such a disclosure?

Mr. Costello: I think it would be a very difficult thing to do. Mr. Irving would have to submit a daily list of companies with which he is involved.

Mr. Fortier: It would be difficult because of the wide range of holdings?

Mr. Costello: Yes.

Mr. Fortier: Would it not be advantageous also if it could be done?

Mr. Costello: If there is any suggestion that the newspaper had a specific personal interest, I am not enthusiastic about it but I think it is a point.

The Chairman: Any other questions before I move on? Senator McElman.

Senator McElman: I would like to touch on one point. You mentioned, Mr. Costello, that at a certain stage in events in New Brunswick, your newspaper editorially and other-

wise, too, took issue with certain parts of the so-called program for equal opportunity.

Would it be fair to say that up to this point there had been not an unfriendly attitude by your newspaper towards the government?

Mr. Costello: I think that up until the point of the introduction of the legislation, there had not been legislation which, we felt as a newspaper, we should oppose.

Senator McElman: As a matter of fact, one other publisher commented that this was—I am not going to put words in his mouth—but almost in effect that it was a honeymoon of sorts between your papers and the Robichaud government.

Mr. Costello: I have no idea who suggested that.

Senator McElman: Perhaps that will come out later. The period involved there was between approximately mid '60 to late '65?

Mr. Costello: What period is that, Senator?

Senator McElman: In this period in which there was no great controversy. There were no burning attacks by your editorial columns against the government of the day. At that time, there had come down in the legislature a parcel of legislation which made up this so-called program, 100-odd bills involved. The cornerstone of that legislation was the Assessment Act. You recall the details of that, I am sure.

This whole parcel had been discussed widely in the province, including the Assessment Act but there was one detail of the Assessment Act when it went before the Law Amendments Committee which said there would be no more special tax agreements in New Brunswick for industry or commerce, etc.

As you know, there had been numerous such agreements over the years and also provision for the setting up of a board or committee which would possibly renegotiate with those who held such agreements—I am sorry for the detail, Mr. Chairman.

The Chairman: Is the question soon coming?

Senator McElman: Yes; it is.

On the day that this Assessment Act came before the Law Amendments Committee, would you agree with me that the most

prominent objector to this was Mr. K. C. Irving?

Mr. Costello: I would certainly agree that he was the most prominent. I do not remember the others, but there were many prominents.

Senator McElman: With him.

Mr. Costello: Yes.

Senator McElman: The lead story in your newspaper the next day on this carried Mr. Irving's photograph, Fredericton dateline: "Industrialist K. C. Irving of Saint John" said Tuesday that the government's proposed new Assessment Act is "completely unacceptable."

That was the first paragraph.

I suspect, knowing your tremendous sense of humor, which I have a high regard for, that whoever coined the line over the lead editorial of that day—if it was yourself, your sense of humor came through; if not, it is matched when the lead said "The voice of the province must be heeded."

What I am getting to is this: Would you agree with me that it is rather remarkable, that the change in editorial approach of your newspaper coincided with that day?

Mr. Costello: No. I would not. I would say that the criticism of the newspaper coincided with the introduction and explanation of the program of legislation, piece by piece, which was dealt with as it came before the House.

The fact that Mr. Irving objected to legislation which he felt was wrong does not suggest that it was right. I think there were weaknesses. I think at the end of that long day, as you recall, the Minister told the assembly at Fredericton that the government did not really mean to do it that way at all. I think you recall that vividly. It was all a mistake and they should not have been so upset.

This was after listening to evidence for 11 or 12 hours. I think that whatever editorial position the newspaper took, it coincided with the introduction and explanation of the legislation, and I think if there is any question on that, we would be delighted to bring out the arguments which we set forth at that time and we would be delighted to relate them to the position of the province at the present.

We were greatly concerned, as you recall, about the availability of the money for this huge program, where it was coming from. There was a mass of legislation, as you say; 100 bills.

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The province, in our view, did not have the resources to do all that quickly.

I think that has been borne out in our province by the very difficult position we are in today. We said it would be. I think this was a public service.

New Brunswick has the surtax, and we feel the situation very much in New Brunswick.

Senator McElman: Mr. Chairman, I should say in all fairness to Mr. Costello, the only reason I do raise this is because this charge has been made repeatedly, publicly, throughout New Brunswick over a period of time. Is that not correct?

Mr. Costello: Yes; there have been a great many charges.

Senator McElman: I thought you should have an opportunity to comment.

Mr. Costello: Thank you very much.

The Chairman: Thank you, Mr. Costello. I think there are no more questions. Thank you, gentlemen, very much.

Honourable Senators, the third brief this afternoon, and the final brief, is that of the *Fredericton Gleaner*. Sitting on my left is the publisher of the *Gleaner*, Brigadier Michael Wardell.

I think you are reasonably familiar with our procedure. As requested, we did receive three weeks in advance of this hearing the copy of your brief which you were kind enough to prepare.

The brief has been circulated. The members of the committee have read it and I think for purposes of discussion, we can take the brief as read. I now put at your disposal 15 minutes in which you can summarize your brief or explain it or add to it, indeed talk about other things, if you wish.

I will try to notify you at about the 10 minute mark; indeed, you do not have to use all of the 15 minutes; you can if you wish. Following your statement, the Senators will be free to question you on the comments you have made, the contents of your brief, and other things which may concern them.

Brigadier Michael Wardell, Publisher, Fredericton Gleaner: Mr. Chairman, Honourable Senators. I will take as read this brief and I suspect that some questions will be raised which I would be very glad to answer to the best of my ability.

Of course, several points have come up during the afternoon which reflect on me or relate to me and to the *Daily Gleaner*. On these, it is understood, that I should speak.

I, therefore, will not deal with various opinions that I expressed about the press generally and about what I believe to be the limitations—the liberties, the freedoms, the responsibilities of the press and the way they can best be carried out.

I will explain, perhaps I should explain, that I came to Canada 18 years ago—19 years ago, practically. I came to Canada in 1950 and agreed then to buy the *Daily Gleaner*.

At that time, I was employed by Lord Beaverbrook and held a position in his newspaper. I had not any intention of making my life in Canada at that time. I am saying this in explanation because I think it necessary to explain my background a little bit.

I had no intention or any idea of making any life in Canada, but I bought the *Daily Gleaner* as an investment and as a source of tremendous interest and something which I thought could become a responsible—it was at that time responsible—but I thought it could increase over the years perhaps.

Perhaps its influence in that area of Canada could be increased. I fully intended other people to concern themselves with the running of it. But I stayed on, instead of going back to the Beaverbrook newspaper. Having left that organization and returned to it, I had reached the top seniority, not as absolutely number one in the organization, but I had gone back as Vice Chairman of the group and I had a tremendous life. The end of my life was going to be very happy and successful as the result of many years of work with it.

But I stayed on in Canada and stayed on in Canada and gradually became more and more immersed in these problems. Is it necessary to say all this to say I was an Englishman resident in Canada?

Nobody had any idea there was anything improper about my owning Canadian newspaper shares at that time. It is only a very, very recent time ago. I may say, that my former master in journalism, Lord Beaverbrook, contrary to what I read the other day that it was necessary for him to be a naturalized Britisher because he had all these huge newspaper interests in Britain.

On the contrary, his great pride was that he was a Canadian. He always traveled on a Canadian passport. He always carried his

Canadian nationality to the day of his death. His son does now. The idea that a Canadian is not fit to own, publish, edit or anything else a British newspaper has never, so far as I know, been raised.

During the many years that I spent with Lord Beaverbrook and on the *Daily Express* and *Evening Standard*, either people loved him or criticized him. Some people did not know him at all, but there was every sort of criticism from time to time because he was a very controversial man. He was always raising issues, facing issues, delighting in battle and therefore, every sort of reply was directed at him, but never, never that he was a Canadian.

In the great days of the growth of the *Daily Express*, which was of course the greatest newspaper in terms of circulation, in those days by far—but in the days of its rise, its owner—you call him owner they do not use the word publisher in Britain—the owner was a Canadian, the editor was Beverley Baxter, and the general manager, who was sort of a genius of management who did everything about managing editing, was a Canadian called E. J. Robinson—who is the finest newspaper executive that I have ever known in my life. There you have the owner, the boss, the editor, the manager—everybody Canadian and never a single word of complaint about it. I only mention this because I think it wants to be stated.

I saw somewhere that Lord Thomson had to be English because he owned newspapers in England.

He had absolutely no basis for that truth at all, he wanted to be a lord and he could not be because he was a Canadian and there is no such thing as a Canadian lord—therefore, he had to be an English lord. Let him. He is a very fine man and no doubt, he is well and duly and properly honored. This has nothing to do with the British public saying that we cannot read the *Times*, if Lord Thomson is not an Englishman. That is just an hallucination. This is the type of thing that should be mentioned, I think. Freedom of the press is the freedom to own, edit and sell a newspaper without interference with governments at any level. I regard as an attack on the freedom of the press this Senate inquiry. I believe that newspapers must have the right to ask questions, question everybody, and they criticize and should be criticized. I am not suggesting that they should not be criticized.

But I do say that what happened in New Brunswick is something quite different and I am going to deal with it personally because—and I do regard it as an attack on the freedom of the press—that there should be this Senate inquiry coinciding with the raids on the *Daily Gleaner* under the Combines Investigation Act combined with hostile and threatening speeches and published letters of those concerned in prompting these investigations and I may say in sitting on the committee in judgment, and that I regard as something utterly indefensible.

Now I get to the point where pressure groups were mentioned. I said in this brief that pressure groups are no problem to newspapers. Their representations generally are received with proper courtesy and their arguments given fair consideration on their merits by the newspaper.

Mr. Irving answered that one in quite a different way: He said, "Well, if you want to know about pressure groups, look at Wardell". He went on to say "He was very savagely treated."

I can say and it is known by Senator McElderman that the Premier of New Brunswick declared that he was going to ruin and drive him out of the province.

Now, he did not say that to me. I never made a complaint to anybody in the printed word, or any other word. I never made any complaint about any attacks made whatsoever or at all. It is a fact that they were made.

It is a fact that I had supported after a campaign which I devoted my life to for some years, a campaign in favour of the Atlantic—Maritimes, if you like, to call for the development of massive investment in great public work schemes.

This called for the establishment of an Atlantic Development Board. I was representing a body that was advocating it you see, and we saw the Prime Minister, Mr. Diefenbaker. He was greatly taken with this idea of a great development project and tidal power development and with making the Maritimes the source of the greatest outpouring of power at the cheapest rate of anywhere in North America—and millions of other things that could be done—that should have been done. We didn't and shouldn't sit down and whine, but we should make that the greatest center in the world which it can be—in North America which is the world.

He was tremendously infected by the ambition to see these things done and he went into

that general election in 1962 and said that "This is exactly what I am going to do." He declared that he would set up the Atlantic Development Board.

All the dreams came true. I thought at that time they were the dreams of Premier Robichaud, too, because he was concerned in propounding the development of the area and the development of tidal power as well. But it is a fact that after that election, which of course as everybody can remember, resulted in Mr. Diefenbaker being returned as Prime Minister to form his government in a minority position.

I found myself—it is true—I never raised this matter publicly. I did not ask Mr. Irving to raise it. I did not have any consultation with him about my brief, which is in contradiction to his. But as raised, it is perfectly true. Somebody said, "Well, isn't this a usual thing when you get a change of government?" "It was a change of government." The Robichaud government had come in in 1960, so this was not a change of government.

I was divested, my business was divested, and everything that could be torn away from it—all government printing and I lost the printing.

When I came to Canada, I bought a business there which had had a long-established contract to print the Royal Gazette and it was not a very profitable thing.

That was taken away from me and a terrible injury done to the *Atlantic Advocate* because we were running a national magazine from this small country town which we were able to do. We had to have advertising—liquor advertising—in order to get sufficient revenues to do it and this was always understood. Although there was a law against it in New Brunswick, that law said that there is an exception if permission is granted by Liquor Board Commission. This was clearly understood and regularly every month, before we went to press, the manager or someone would go to the Liquor Commission and would be carrying the advertisement.

This amounted to a very considerable sum. It was a considerable amount in the magazine. All that, I was not only suddenly at that moment debarred from carrying it, but I was never told that I could not carry it again.

Suddenly I found that my advertisers had been told that they were breaking the law and that that fellow Wardell is running you into a very dangerous position.

They came to me and asked "Have you been leading us astray; leading us to suppose that you could carry these advertisements properly and now, suddenly, we are told that this is not so."

I was put in a deservately uncomfortable position. All of the printing work was taken away and, of course, I suffered very much. Now, I am not one to complain at all, about my treatment. I am quite prepared to take any blows, adversity or such, if they apply.

I am quite prepared to defend myself and to return a blow or two. That is part of life. But as it is mentioned, certainly I was to be drawn and quartered. There is no doubt that Mr. Irving, there—I was not part of the Irving group at all at that time. It is perfectly true that I did say to him—he is my friend—I have known him from time that I first set foot in Canada—I did say, "This is the most monstrous injustice that has been done and I cannot understand the reason of it. Can you find out for me. I would like to ask somebody."

He never gave me at that time a very good explanation, but he has said something about it today and it is perfectly clear that he was told that I was going to be dismembered and broken, if it was possible to break me—which it was not.

It should be noted that I have never complained about hairs and if it had not been for this hearing today, probably it never would have been known.

But we come to another point now, that is a fact that at that time, Mr. Irving had built up an improved series of operations in this poor New Brunswick, which is beyond the powers of understanding.

I cannot, to this day—I have been here for many years and have seen very closely, at close quarters—I cannot understand how it was possible for him to do it.

But he did it by watching every detail, by working through the clock, by having no bad habits. He does not smoke; he does not drink; he has some wonderful young sons.

He did it on his own before his sons were there to help him. He built up a great position. Now when I came to Canada, his name was a very great name and he was a Liberal, so most of you gentlemen—who are Liberals—will approve of him.

Then they saw these pulp plants rise out of the ground and they saw logs rolling down the river. They said "Hip, hip, hurrah; Irving

and employment for New Brunswick." Then they said "God bless him".

That was the attitude and no doubt, the hat that was thrown the highest was Senator McElman's. He was very young at that time and no doubt he was perfectly delighted.

Now there was no criticism of...

Senator McElman: Are you speaking of fact, there?

Brig. Wardell: I am speaking of fact. There was no criticism in that day at all from you, sir, or anyone else that I know of, I was watching facts pretty closely, the industrial activities of Mr. Irving. They were looked at with wonder and he did a tremendous job.

I have said—and I said it long before I was any part of his group—that he did more for New Brunswick than all levels of government put together. Lord Beaverbrook used to say that of him. Many people that I have known, not because I am anything but a most mediocre man; I do not give myself any pride at all, but I have known some of the very great and active men in the world but I have never known any of them who could do and I believe who could have done what Mr. Irving did in that poor province of New Brunswick.

In those days, the province was very, very poor. It was done absolutely as though by magic. Well, now, certainly I saw suddenly the climate change and I saw it about the beginning of 1966, just about the time that the Honourable Senator was appointed to the Senate, that there was a great change and there was an argument about certain of the items of legislation.

In the main, the great issue was something else, which was Brunswick Mining and Smelting. Here was a great industry in New Brunswick, which he knew or he said was worth in its assets more than all of the forests of New Brunswick, all of the Crown Land of New Brunswick added up together, to be valued at somewhat between half a billion and a billion dollars.

Perhaps this was one of the greatest assets in the whole of Canada. He was suddenly in a series of what you could say, hostile acts which were accompanied by a great deal of criticism of him.

There is no doubt that the deal which passed these great assets over to Noranda was done like a trap door. I was sitting there and watching it. It never has been published, but

am going to publish it one day, if nobody else does. Perhaps somebody else will.

It was a most extraordinary thing that happened. It was like a booby trap that was opened and he unguardedly fell into it and Noranda took control of these great assets. He was, what you could call, given the cold shoulder by the government. After that, there were most rude references to him by the Premier of New Brunswick. Shocking things were said in speeches, representing Mr. K. C. Irving as a sort of great financial ogre, as somebody who was battling on the poor.

All these things, chapter and verse—they all can be produced. He was called "the man from Saint John." He was sneered at.

Senaio Smith: That is bad?

Brig. Wardell: It depends on the connotation. If the connotation is a happy one, it might be the highest compliment to be the man from Saint John. But if it is done in a way that is adverse, I do not think it would be a happy phrase.

Anyhow, we get down to this extraordinary change which took place when suddenly the newspapers, which are not the greatest newspapers in all Canada because newspapers do—and I have been in the newspaper business for many, many years—and of course, they do depend on the amount of money or the amount of advertising brought in.

They have got to live on advertising. There is not that amount of advertising in New Brunswick to make them comparable perhaps to the *Times* of London or the *New York Times*. In a book on the press which the Chairman recommended they discussed what they considered to the great delight of newspapers—the *Times* of London, which is very rightly praised, praised enormously; It was in the newspaper in the last 24 hours, that it is losing a million pounds, \$2,600,000 this year, that it has lost over 13 million dollars for Lord Thomson. It is a very, very expensive prestige operation there and maybe it will be remedied and rectified.

These things are very difficult to deal with in a doctrinaire way by theory. You can only get newspaper men who know that they have to get their revenues out of advertising and live on their revenues, and make their papers as good as they can within the relatively constricted area of the news pages versus the advertising pages.

Having said that . . .

The Chairman: May I interrupt you at that point to say that you have spoken about eight or 10 minutes longer than the 15 minute time limit. The point is that we would like to question. We are most interested in what you are saying. Would you, perhaps, conclude your remarks?

Brig. Wardell: Yes. I am only going to say that I believe that the press of Canada compares extremely favorably with the press of any other country and I have been engaged in the press in England for many years.

Almost any measuring stick you apply shows that Canada ranks high. The press of New Brunswick is good and it is honest and it does not suffer from distortion or suppression in my view.

Now I end by saying whatever you find to criticize about the *Daily Gleaner*, do not blame Mr. Irving and Mr. Costello or anybody like that because he has not taken it over. In fact nothing has happened except that there is an agreement about an exchange of shares, an agreement dated from last year.

There are many angles. It is complicated, a complicated thing that we did and we have not concluded by any means at all. Suddenly this thing is charged, blown up that he had bought the control of the *Daily Gleaner*.

Right; he did. But that has not been entirely consummated and at the present moment, he has not got any representation on the board at all. There is absolutely no communication even between Saint John and Fredericton in connection with this.

I do not tell you it is a good thing. I am not recommending it. It might well be that I could say at my time in life, when I certainly, you know like an old horse, could be turned out to grass—if there is any grass—it is about time perhaps, he did take a great deal of stress and maybe it will be a far greater newspaper than I was able to produce.

I have done my best with it. I never allowed distortion and never allowed suppression. No editorial man has ever been asked to slant the news. What was done was done by me.

Very good; I will answer my questions.

The Chairman: Thank you very much.

Senator Prowse: Brigadier Wardell, you referred to—your statement in Paragraph 7, particularly the second paragraph—do you regard "as an attack on the freedom of the press this Senate enquiry..."

Now, you are not suggesting for a moment that this Senate inquiry had as its purpose the intention to harrass the *Gleaner* surely.

Brig. Wardell: Yes; I have, sir.

Senator Prowse: That this Senate inquiry was set up for that purpose?

Brig. Wardell: No; I do not. I am sorry. I thought you meant the Department of Consumer Affairs, what I call a raid when they walked into the office...

Senator Prowse: Well, I understand that was somebody else's business. I do not even know about...

Brig. Wardell: That was brought about by your Senator McElman.

Senator Prowse: I do not know who asked for it. I do not know who is doing it. I do not know what they have done and I do not care.

Brig. Wardell: I answered to what I thought was to another question. I thought you were asking whether the conglomeration of all these facts...

Senator Prowse: Will you listen a moment? Maybe we can then get it done with less time. I have no objection to you complaining about something a government department does. That is your God given right in this country.

I am taking exception to the fact that you make an accusation that a bona fide inquiry by one of the branches of Parliament in this country into something which we consider—and this was set up by the Senate itself—and the Senate considered it was important to the people of Canada—should constitute an harassment of one particular person or a group of persons.

Now, would you like to make it clear that that was not your intention?

Brig. Wardell: No, sir; I would not. I answered it in this way, that I protest the bias that Senator McElman expressed in his speeches, his statements in reference to the *Daily Gleaner*.

Now, in his speech to the Senate on March 11, in support of Senator Davey's motion to appoint this special committee, he charged that the newspapers in the Irving group, including the *Daily Gleaner*, distorted the news to benefit private interests of Mr. K. C. Irving.

Now, this is not true. Allow me, sir; you put this question to me. I think I have the right to answer.

Senator Prowse: You have said it is not true. We are not going to have this whole debate because neither you nor Senator McElman are on trial.

Brig. Wardell: I am on trial.

The Chairman: Excuse me, Senator Prowse. I think I made clear, Brigadier Wardell, that no one is on trial and most certainly, sir, if you feel you are on trial, I can only apologize and assure you that you are not.

Brig. Wardell: May I be allowed to make a statement?

The Chairman: Yes.

Brig. Wardell: May I make a short statement. Then anybody can say anything they like to me. Now I say this, it is not true—this distortion of the news. If it were, both Mr. Irving and those who direct the five newspapers that he has financial control of, would be guilty of infamous conduct, and that includes Mr. Costello.

The statement is defamatory and I say I am quite prepared to put that to any counsel to judge upon. The Senator ended his speech with a demand that the Department of Consumer Affairs—this is the speech of March 11—undertake an investigation of the English language newspapers in New Brunswick with the right to show an improper monopoly.

He hoped the law would be applied to remedy this situation. Now, that was in the Senate and it was fully reported, but not content with that, three days later, he comes to Fredericton.

He goes to the Provincial Legislative Building, which has nothing to do with the Senate, and he calls a press conference in the local provincial legislature there. He has my own reporters at that press conference and he makes these charges again of suppression of news in the interests of Mr. Irving and says that he has called for this investigation of the Combines Investigation Branch only the previous day in Ottawa.

Now, that is done. On October 15, in the pollution debate in the Senate, Senator McElman charged that the consultant's report on pollution in the Saint John River was given an indecent burial and he said that the other newspapers, having the same ownership and

named the *Daily Gleaner*, likewise buried the story. Now this is tantamount to charging that the *Daily Gleaner* was joining a conspiracy of suppression to please Mr. Irving.

Now, the next day I published an editorial which ended with the words "It is no part of our purpose in this column to speak for Mr. Irving and no doubt, if he so desires, in due course, we could speak for him." It continued "It is our purpose to refute the charge made by the Senator that the *Daily Gleaner* is being derelict in its duties."

On October 20, four days later, the officials of the Department of Consumer and Corporate Affairs raided the office of the *Daily Gleaner*. They said there were visits on other newspapers. They stayed there for two days. They rifled the desks of my executives, the managing editor, the advertising manager, the editor. They visited my own home, demanded to see any papers that I had there and I was treated as though I were a member of the Mafia.

I may say that Canada is full of Mafia-controlled companies, but I do not see their being raided in this way and I look upon it as a gross and insupportable insult that it should be done as part of this—on what you call the Irving newspapers.

On October 23, the *Daily Gleaner* received a letter from Senator McElman making fresh charges against the *Daily Gleaner*. This is in the midst of this investigation and ending with the statement that he will continue his efforts to destroy the existing organization of the press in New Brunswick.

To this I replied in a signed editorial which some Honourable Senators may have seen which I am prepared to read or distribute. If this committee desires to present an appearance of judicial fairness, Senator McElman could greatly assist by retiring from the committee.

The Chairman: If I may just interrupt at this point and make a statement, Senator Prowse. I think the question about the study under the Combines Investigation Act would really be pointless here because that study has absolutely nothing to do with this committee.

I won't address myself to your comments on Senator McElman except to repeat the remarks I made in the course of Mr. Costello's comments. I would, however, like to ask you a question which is essentially the question Senator Prowse was asking.

May I ask you specifically, sir, do you regard the establishment of this Senate Committee as an attack on the freedom of the press?

Brig. Wardell: I can answer that this way, that the establishment certainly of a Senate committee to look into the press is an admirable idea. I would support it wholeheartedly, but here I say, as I said before, the announcement of that coupled with one of its prime promoters, you are supporting the very motion.

The Chairman: I might just say that the motion was accepted unanimously.

Brig. Wardell: He supported it.

The Chairman: So did all of the Senators.

Brig. Wardell: Well, I can show you his speech, sir.

Senator Prowse: We have heard it.

Brig. Wardell: Yes, you have heard it. But the fact is that he tied in his support of that thing with an attack on the Irving press in New Brunswick, and he coupled it with a threat that he was going to ask for a special investigation of the monopoly by the Consumer Affairs Department.

He coupled it with letters which are challenging and threatening and I say the combination of the whole is a direct attempt at intimidation and harassment.

He is not going to succeed. His efforts, just as when I was beaten about by the Premier of New Brunswick, that was an attempt at harassment. It did not have that effect, but obviously his intention was to harass Mr. K. C. Irving.

The Chairman: I think we have dealt with Senator McElman at considerable length as we have with Mr. Irving. I again come back and put the question. I would hope, sir, that you do not regard this committee's establishment as an attack upon a freedom of the press. It certainly has not been so in Canada.

If I did understand your answer, you do not. You are concerned, as I understand it, with that point that you are making.

Brig. Wardell: I have made the point.

The Chairman: I do think it is important to have your acceptance of the idea of the committee because I can assure you, during the planning for the establishment of the committee, I had no particular contact at all. I am

sure Senator McElman did not know that I was planning to propose the committee. I think it is important, an important thing for this study. I am sure I could not change your minds on opinions you express, especially, but I hope...

Brig. Wardell: No. I started by saying that the press lives by the criticism of others because that is its job, its duty. It has to do that to find out the reasons things happen. It has to be critical.

It has to be alert for that reason. Therefore, obviously, the press cannot object to being investigated itself, as to its motives, its reasons, its conduct. Much good can come out of such an inquiry and, of course, that thing is going on.

It is continually going on in its area wherever it circulates and some people think it does well and some think it does badly. There is always a good deal of criticism, but criticism is the essence of life, particularly press life and certainly I would welcome the idea of a Senate inquiry.

The Chairman: Thank you very much. On that point I only just want to add one other thing on Senator McElman. That is to say that I think in fairness, because I think you are a fair man, if you study the transcript of the hearings which have taken place, you will find that while Senator McElman as a New Brunswicker, has of course evidenced considerable interest in the Irving newspapers, the Irving group and in the problems we have been discussing this afternoon.

I think in fairness to him, he has asked a great many questions since the hearings started a week ago on a great many matters, a great many of which do not relate at all to the New Brunswick situation.

In any event, I would like to turn to other questions. I will go to you, Senator Prowse.

Senator Prowse: Well...

Senator McElman: Mr. Chairman...

The Chairman: Is this a point of order?

Senator McElman: I would like to comment if I may on the facts before you move into questioning.

The Chairman: Senator McElman, I think I have been most patient with Brigadier Wardell and I shall try to be most patient with you, but I do not want—

Senator McElman: All right, Mr. Chairman. I will put it as a question of privilege. Certain interpretations have been put upon what I may have done or what I have said, such as that as I finished my speech on March 1, I concluded by threatening that I would do so and so. This is the same sort of thing that has shot through the dialogue of Brigadier Wardell. Now let me read from the Senate *Hansard*. I am sure that is one unimpeachable record...

The Chairman: Is this the conclusion of your speech?

Senator McElman: That is correct, sir.

"In this light," which follows the reference to the situation, "I now call upon the responsible authorities in the Department of Consumer and Corporate Affairs to undertake an investigation of the reported ownership-control of all English language daily newspapers in New Brunswick. And if the evidence shows an improper monopoly,"—I was talking about the law—"then I should hope that the law will be applied to remedy the situation."

The Chairman: Thank you.

Senator McElman: Mr. Chairman, I simply wish to point out there is no element of threat. I suggest further, immediately following this—I directed a letter to the Director of the Combines Branch. I drew his attention to the remarks that were made in the Senate and I asked that they look into the matter to see if there was any infraction of the law.

As Brigadier Wardell has suggested, I was in Fredericton a day or two later and my presence in the legislature in Fredericton is not looked upon as strange. It has been going on for many years. Often do I drop into the press gallery office to chat with my friends and some of them are here today.

They asked questions about what I was doing and I told them what I was doing. There is nothing indvidious or insidious or secret. I simply wanted to state facts to clear away the impressions.

Senator Prowse: Mr. Wardell, you say in Paragraph 1 of your brief that in the second paragraph, in the second sub-paragraph, starting in the third line: "I have never at any time had any discussion on editorial policy with any member of the Irving group... All such discussions have been confined to the committee from within our own organization."

What do you mean by editorial policy?

Brig. Wardell: Exactly what it says. Editorial policy is the policy, so far as I know, in every country of the world and every newspaper in the world, the policy applied to produce editorials; the line a newspaper takes has to be met or discussions have to take place. It is the position of one man always, but it is generally brought about by discussion with a reasonable and representative group and the group that I discussed those things with is a group of executives in the *Daily Gleaner* organization.

They do not decide on every day or exactly every editorial, but they are generally responsible as an editor who writes these things. There is a group and if I am away, they carry along and know what the policy is that the *Daily Gleaner* has and they do their best to produce with a certain amount of research and cases of observation. That is about it, I think.

Senator Prowse: In the verbal presentation you referred to K. C. Irving as "my great friend". You must have had some discussions with him about things that went on or were going on in New Brunswick.

Brig. Wardell: Well, that may be so, but I did not seem him, although he is a great friend of mine. I have lived in Canada now for 19 years. I do not see him very frequently. I see him from time to time and we discuss everything—obviously anything that comes into your head, but we do not do editorial policy for the *Daily Gleaner*.

Before he agreed to buy these shares, before that time, we could have discussed the general climate of the news of the world or not.

Senator Prowse: Or New Brunswick.

Brig. Wardell: Obviously.

Senator Prowse: Or New Brunswick, or the news of New Brunswick?

Brig. Wardell: Or the news of New Brunswick.

Senator Prowse: You were at all times conscious of what his thinking was.

Brig. Wardell: No. I was not at all. Good gracious, I would not even see him for perhaps months on end.

Senator Prowse: But as far as anything that came up, he is big enough in New Brunswick that you cannot walk around without

bumping into him. You could not be in the province without knowing his attitude on any subject.

Brig. Wardell: Are you suggesting, sir, that that influenced me?

Senator Prowse: No. I am just suggesting that you were aware of the facts.

Brig. Wardell: I am just saying if that is the insinuation from your question, the answer is no; he did not influence me ever, or try to ever.

Senator Prowse: All right. On the 14th of October, 1965, in the *Daily Gleaner*, you had an editorial referring to "the extraordinary barrage of publicity produced by K. C. Irving and those who support him in Saint John, to bring about a last ditch revision of the harbour bridge scheme must be startling to those not conversant with the use of all the media of public information to create the impact of an idea."

Brig. Wardell: I wrote that, sir.

Senator Prowse: All right, then, fine. Thirdly, "the use of all media for the purpose of recruiting public opinion on the subject of intense public interest is a democratic process which should be encouraged".

Brig. Wardell: I agree.

Senator Prowse: Mr. Irving used the media for the purpose, his own purposes there.

Brig. Wardell: No; he did not use it. He thought and his sons thought and his executives thought, many people thought, that a great mistake was being made with an immense expenditure. I do not know Saint John well enough to know whether he was right or not.

I think he probably was right that there was an immense amount of muddle in the establishment of some very expensive bridges. Mr. Carter, who is a lawyer, mobilized public opinion and he used every possible means of declaring what the criticisms were.

I am bound to say I was sent a barrage of publicity; it happens about almost every thing that happens in life, an immense amount of stuff, put out by what you call public relations organizations. It comes flowing through.

Now, I got this from Mr. Carter. Sitting down there and then, wrote a little homily which said what an amazing thing it is; here

is something which may be tremendously important to the people of Saint John; that they should look into this thing and see whether it is right or whether a terrible mistake is being made or what a wonderful thing to see the tremendous barrage of publicity which is presenting this thing for observation and criticism.

I said that is the exercise of the democratic processes. It is a very, very good thing, too.

Mr. Irving never asked me or no member of his family ever asked me to say that; Mr. Carter did. I think it was rightly said.

Now I could only say this as one last final word. In spite of all that great effort of all of the media, everything showing the dangers, they did exactly what they were going to do and they had absolutely no effect whatsoever.

Senator Prowse: There may be a lesson in that.

Let us go to something else. Your paper I think carried...

Mr. Costello: Mr. Chairman, I think it should be clarified that Brigadier Wardell is absolutely wrong in his assumption, made in that editorial. The great barrage of publicity was created by reporting of news and a reporting of a citizens' committee and its fight to stop the construction of a bridge.

It did make a great deal of news. There were special meetings of the common council and this committee did make statements and called for the committee to rise and stop this. It failed with a great barrage of publicity. It was caused by the reporting of what took place and what was taking place in the city and their great barrage of support was so strong by those people, the proponents of the bridge at the time that it did, in fact, go through.

There was no use of the media for anything other than publicizing what was taking place in the city of Saint John. Brigadier Wardell, from the distance of Fredericton on that occasion, and on that occasion only, did not know what he was talking about.

Senator Prowse: You have conducted a very aggressive campaign in your newspaper against pornography on the news stands. Was it successful?

Brig. Wardell: Absolutely unsuccessful. The only thing it does do, is make people occasionally say that something is going to be done about it, of course, it is a terrible truth that of course, it is a sort of Mafia-controlled

filth industry that you can go into, probably today.

When those editorials were written, you could go into a book store, a news stand, and in Fredericton and find filth that you would not believe could possibly be printed, it is so utterly foul.

Senator Prowse: I think we are aware of this now.

Brig. Wardell: Every now and then, we whip up a little conscience on this matter. I would like to see something more.

Senator Prowse: Well what about advertising? On the Maritime Magazine program of May 30, 1969, which is the CBC radio and TV program down there, Donald Cameron did a little thing in which he tells that on a particular day you had an editorial complaining about the Governor General's awards in literature for 1968 having been given to Mortiky Richler for his novel *Cocksure*, and the collection of essays, *Hunting Tigers Under Glass*, and a collection of poems and you go on to object to that.

But he says that on the page opposite that...

Brig. Wardell: Have you read those poems?

Senator Prowse: No.

Brig. Wardell: Filthy.

Senator Prowse: Would you mind listening to the question? I take it that they were not filthy enough to stop you reading them.

Brig. Wardell: I read them because it is my professional duty.

Senator Prowse: We all have excused ourselves in some way.

Now, right opposite your editorial page, there was an ad for the Capitol Theater: "Now playing, at 2.00 p.m. and 8.00 p.m., beautiful young moonlighting wives rock and shock the city with unprintable scandal. This group of beautiful, young, exciting women touched off a moral scandal that stunned veteran vice squad police officers, startled and embarrassed seasoned newspaper reporters, shattered and shamed the whole city. Sorry; we cannot show you scenes from this movie in our ad. We do not want to offend shy or prudish people. Nothing is cut out. Nothing is hushed up. Nothing is covered up. Nothing is left to your imagination. This program is recommended for adults, a raw and jarring

motion picture about shameless women filmed in color, as it really happened. Moonlighting Wives restricted to 18 and over."

"Also playing 'It is Hot in Paradise, a new experience in daring love and evil desires for mature adults.'"

Did it ever occur to you that that ad and that motion picture might be as bad as the books and magazines that other people were selling?

Brig. Wardell: You see, I am quite certain that it was not. You have not seen the sort of pornography that I am talking about in the books. You could not possibly film it by any stretch of the imagination. Secondly, I did not write those...

The Chairman: Have you gone to the movies lately?

Brig. Wardell: I did not like those ridiculous advertisements, but I do not think that we can expect or should perhaps censure advertisements. They come in. They are ridiculous, foolish, and vulgar, but they are not pornographic. They are just downright silly.

Senator Prowse: I am going to ask you one last question.

Brig. Wardell: I would like to make another statement. Reading out, what has been used by that gentleman who said that the Daily Gleaner was the stupidest paper, that it was always worrying about pornography, it was edited by an old fool of an English colonel—and by God, he looked like it.

Maybe he is right. I have heard so many things. He manufactured that bit of witicism and he carried it on until it was put into the students magazines saying the same thing.

Senator Prowse: I would like to ask you one last question as far as I am concerned. You said something about the New Brunswick Mining and Smelting and you said the government deal made in passing it over to Noranda was a terrible giveaway. Is that right?

Brig. Wardell: Absolutely; yes.

Senator Prowse: But you did not print anything about it at the time?

Brig. Wardell: Well, we did not know about it.

Senator Prowse: When did you first find out about it?

Brig. Wardell: We did not really know about it until the meeting in Saint John and we published quite a full story.

Senator Prowse: At that time.

Brig. Wardell: Very shortly after. You see, this I asked Mr. Irving—you ask him; he will tell you all about it. The handover was in March, I think, 1967, and there was an annual meeting in Saint John in the early part of the summer and the thing had to be ratified at that time and I wanted to get the story.

I could not get the story very clearly from anybody at that time. I got a lawyer's version of it, and then we sent a report to the annual meeting and we worked—it was a very complicated story.

It was not easy. We ran it very considerably as soon as we knew it. Believe me, I wanted it very much indeed. There was no question of not printing that story. I wanted it more than any.

The Chairman: Senator Bourque.

Senator Bourque: I just wanted to ask the Brigadier, he said that Lord Thomson became a British citizen so as to become a Lord. Are you aware, sir, that there is a Canadian who is a member of the British House of Lords, the present Lord Shaunessey? He inherited the title from his late English father. He lives in Montreal and is a Canadian.

Brig. Wardell: I am, but the original Lord—

The Chairman: I am of course grateful to Senator Bourque for his statement and for your explanation. I am wondering, I think perhaps we might have the final questioning of the day. Mr. Fortier has one or two questions and then we will adjourn.

Mr. Fortier: Brigadier Wardell, I read in your brief that the freedom of the press is the freedom to own, edit, print, publish and sell a newspaper, without interfering or coercion from governments at any level.

Would you please tell the committee what obligations go with this freedom?

Brig. Wardell: Oh, tremendous obligations. Obligations to publish, so far as is possible, nothing but the truth; to not ever distort news; to give an opportunity for dissenters to express their views; and generally to produce a fair and accurate newspaper.

It is a tremendous responsibility. I did not put that side in because I think it goes so obviously.

Mr. Fortier: Have you ever had reason to believe that a majority of the people of Fredricton wished for another type of newspaper?

Brig. Wardell: Well, that is possible. It is perfectly right and proper that the newspaper should be criticized; also perfectly true that anybody if they think that way, if they want to write criticism or say anything disagreeable about the *Daily Gleaner* they are given every opportunity to do so, always and invariably.

There are some very rude things being printed now. If they want to start another newspaper of their own, they are quite at liberty to do so. The task would be a long and a very expensive one.

Mr. Fortier: How do you manage to take the pulse of your readers? By what?

Brig. Wardell: Well, in many ways, particularly in a community of that size. One hears gossip. Also one listens to editors, and in some instances, reporters. You see, we have quite a staff of reporters who are going out and many of them are talking to people every day. They come back and we are encouraged if they suggest criticism.

Information is coming in every day. Then in the long run, perhaps we can say that the sales are the strongest measure of the stature of the *Daily Gleaner* in that area. It may, perhaps be the greatest saturation of any place in Canada.

It is only a fairly small city, you see, and we hear if people are disgusted, or annoyed with the newspaper taking a line which is contrary to what they believe. Mind you, our line has not always been conservative, by any means.

Mr. Fortier: With your experience in journalism, both in Canada and in England, Brigadier Wardell, would you say that competition between newspapers makes for better newspapers? In any given community?

Brig. Wardell: I would not say that altogether. I would say it is brought about, it has brought about the ruin of many good newspapers. It is just as easy as that. You cannot get—in most cities of considerable size now—you cannot run two newspapers. You can in Ottawa because Ottawa is the capital of Canada.

But you cannot in a city of up to something in the order of 250,000. I do not think you can

run two newspapers economically. I think you have got to strangle one or the other. You see, the cost of the newspapers have risen so.

Mr. Fortier: Could you give a minimum figure of 200,000 dollars, I should say, inhabitants in a community?

Brig. Wardell: That was a figure just taken out of my hat, 250,000. That is very minimal. I think it would be hard to find that. The two newspapers would exist certainly.

Mr. Fortier: In answer to one of Senator Prowse's questions, where he read extracts from the movie advertisements, you said that is why it was very difficult for you to exercise any control over the contents of an ad. Did you really mean that?

Brig. Wardell: I did not use that expression. I said that I did not think it was right or permissible for a newspaper to censure advertisements. Now that is a great foreshortening of an argument. Certainly, if there was something that is really obscene or even at all obscene, certainly it should be kicked out.

But if it is merely vulgar and stupid, I do not think that the role of the newspaper publisher is to say, "My dear sir, your advertisement is damned silly."

Mr. Fortier: If it is vulgar, you accept to publish it?

Brig. Wardell: Well, it depends again; vulgar can have many meanings, many interpretations and uses. If it is merely vulgar, merely silly, I do not think it has anything to do with me.

Mr. Fortier: You accept it?

Brig. Wardell: I would not even see it. I would not personally see it at all. The advertising manager would see it. He would not bring it to me simply because it was a gross statement. If it were libel or defamatory in nature or obscene, certainly you could say that we will not publish.

Mr. Fortier: But if it does not break any law, the contents of the advertisement will not be screened by your advertising editors; is that correct?

Brig. Wardell: It should not be. That is my view. I do not think you should stop it. It would be a gross imposition if he did because what I consider...

Mr. Fortier: I find it difficult to reconcile that with the anti-smut campaign.

Brig. Wardell: Do you? Well, there is no difficulty, I assure you.

Senator Prowse: One didn't cost you anything.

Brig. Wardell: Well, that is one way of looking at it.

The Chairman: I think that, Brigadier Wardell, on behalf of the members of the committee, I should say thank you and I should couple with that a re-expression of my appreciation to Mr. Costello and his associates and also to you, Mr. Irving.

It has been a long afternoon for you and for us. We apologize for that.

For the record, there was a discussion early on this afternoon. There was some in camera material. I think that Senator Prowse has decided that we can waive that.

Senator Prowse: I think we have enough information.

The Chairman: If additional information is needed, we may be in touch with you.

For the benefit of the members of the committee, may I outline tomorrow's schedule. We will be in this room, at 10 a.m.

Senator McElman: Before you leave this subject, please, there are a couple of other facts that should go on today's record of this committee hearing.

The Chairman: Are they brief and to the point?

Senator McElman: They are brief announcements.

The Chairman: First I shall outline tomorrow's schedule. At 10 a.m., *Corriere Canadese*, the Italian language daily newspaper in Toronto; 2:30 tomorrow afternoon, the Indian Eskimo Association, the Association of National Indian Brotherhood and the Canadian Metis Society; 8 o'clock tomorrow night, the Associated English Media Journalists in the Province of Quebec.

Senator McElman: Mr. Chairman, in fairness to the committee itself, it should be part of the record that my request for the investigation by the Combines Branch took place prior to the formation of this committee.

Secondly, I was asked to join the committee sometime after that.

Thirdly, I knew nothing further about the investigation by the Combines Branch until it was published by Brigadier Wardell.

Fourth, it has been suggested that I have been attacking Mr. Irving. That is not the case. I have not raised questions about Mr. Irving's many numerous and—for New Brunswick—wonderful enterprises. I have raised questions about the involvement of his monopoly ownership of the media in New Brunswick.

Thank you very much, sir.

The Chairman: Thank you.
The meeting is adjourned.



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA
PROCEEDINGS
OF THE
SPECIAL SENATE COMMITTEE
ON
MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 6

WEDNESDAY, DECEMBER 17th, 1969

WITNESSES:

Corriere Canadese: Mr. Daniel Iannuzzi, Chairman of the Board of Daisons Press, Limited and Publisher of the *Corriere Canadese*; Mr. J. W. Thompson, Marketing Director.

The National Indian Brotherhood of Canada; The Indian-Eskimo Association and The Canadian Metis Society: Mr. Walter Deiter, of The National Indian Brotherhood of Canada; Mr. Bruce Rogers, news commentator of the Canadian Broadcasting Corporation; Reverend Adam Cuthand, President of the Canadian Metis Society; Reverend Professor André Renaud.

The Association of English Media Journalists: Mr. David Waters; President of the Association and Editorial writer for the *Montreal Star*; Miss Joan Fraser, Secretary Treasurer of the Association and Reporter for the *Financial Times*; Mr. Dick McDonald, Reporter for the *Montreal Star*; Mr. Rod Blaker, Director of Public Affairs, Radio Station CJAD.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, *Chairman*

The Honourable L. P. Beaubien, *Deputy Chairman*

and Messrs.

Beaubien
Bourque
Davey
Everett
Hays

Langlois
Macdonald (*Cape Breton*)
McElman
Petten
Prowse

Smith
Sparrow
Welch
White
Willis

(15 Members)

(Quorum 5)

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

WEDNESDAY, December 17th, 1969.

(6)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, *Chairman*; Macdonald (*Cape Breton*), McElman, Petten, Prowse and Smith. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant.

The following witnesses, representing the Corriere Canadese, were heard:

Mr. Daniel Iannuzzi, Chairman of the Board of Daisons Press, Limited and Publisher of the Corriere Canadese

Mr. J. W. Thompson, Marketing Director of the Corriere Canadese

At 11.55 a.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Bourque, Hays, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Smith and Welch. (9)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant.

The following witnesses, representing The National Indian Brotherhood of Canada; the Indian-Eskimo Association and the Canadian Metis Society, were heard:

Mr. Walter Deiter of The National Indian Brotherhood of Canada

Mr. Bruce Rogers, News commentator of the Canadian Broadcasting Corporation

Reverend Adam Cuthand, President of the Canadian Metis Society

Reverend Professor André Renaud;

At 4.15 p.m. the Committee adjourned to 8.00 p.m.

At 8.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Bourque, Hays, McElman, Petten, Prowse and Smith. (7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director.

The following witnesses, representing The Association of English Media Journalists, were heard:

Mr. David Waters, President of the Association and Editorial writer for the Montreal Star

Miss Joan Fraser, Secretary Treasurer of the Association and Reporter for the Financial Times

Mr. Dick McDonald, Reporter for The Montreal Star

Mr. Rod Blaker, Director of Public Affairs, Radio Station CJAD

At 11.15 p.m. the Committee adjourned to Thursday, December 18th, 1969, at 10.00 a.m.

ATTEST:

Gerard Lemire,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Wednesday, December 17, 1969

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (*Chairman*) in the Chair.

The Chairman: Honourable Senators, this morning we are receiving a brief from *Corriere Canadese*, which is a new daily newspaper in the City of Toronto. Sitting on my immediate right is the chairman of the board of Daisons Press Limited, and the publisher of *Corriere Canadese*, Mr. Daniel Iannuzzi.

And sitting on Mr. Iannuzzi's right is Mr. James Wallace Thompson, who is the marketing director of *Corriere Canadese*.

Gentlemen, the brief we requested from you was received as requested some three weeks in advance of the hearing.

The brief has been circulated to the members of the committee and has been studied by the members of the committee, and I think for the purpose of our discussion this morning we will take it as read.

If you wish, perhaps you could now make a preliminary statement in which you can summarize the content of your brief, explain it, expand upon it, or indeed you can talk about anything else that you may wish. You will have 15 minutes for that purpose and I will notify you at the 10 minute mark.

You don't have to use all the time, but following your preliminary statement the Senators would like to question you on the content of your brief, on things that you may say and things which you may not say at all.

Mr. Iannuzzi?

Submission of: **CORRIERE CANADESE**

By Mr. D. A. Iannuzzi, Publisher

Mr. Iannuzzi: Mr. Chairman, Honourable Senators. Thank you for the invitation to be here this morning and to appear before this committee.

I understand this afternoon you will be hearing briefs from the Indian and Eskimo Association. How strange it is that we representing an ethnic group and striving to become Canadians, that the descendants of the earliest Canadians find themselves in a position of an ethnic group.

The mere fact that we represent an ethnic group does not necessarily mean that it is foreign. I think it is important to keep this in mind in any of the discussions that we have this morning.

A great deal of time was put into this brief since it was a question of interpreting an area in the publishing field that is not too familiar to a great many people in this country, as it was only in postwar years that the majority of ethnic publications were born.

This was brought about of course as outlined in the brief by a need for some form of communication that newcomers require when they come to Canada.

The contacts that they find in Canada must be interpreted to them in a way that they can overcome some of the barriers which this country has in comparison with other countries, especially the communist countries.

Generally speaking, the ethnic press has some problems which are peculiar to this particular area in that the ethnic press as such—because the majority of them are not privately owned—suffer from internal problems such as personnel, antiquated equipment, loss of circulation and things of that nature.

We of *Corriere Canadese* in the past 15 years have been on a steady growth primarily because of the community itself; the large numbers of Italians settling in Ontario have given us this possibility since the market is forever expanding.

Eighteen months ago, we decided that it was necessary to supply a means of communication for this particular market. The lack of radio and television in this particular field made it necessary for us to do extensive research to justify a daily newspaper in an ethnic group.

We foresee that in the next few years, at least the 70's will probably show that there is an area in which some three or four other ethnic newspapers would probably become daily newspapers. I am talking in the area of German, Ukrainian and Polish.

One of the most important problems that an ethnic daily newspaper has is not so much distribution, mail and so on, but it is the question of finding experienced editorial help.

In our case we were unable to find personnel in Canada, nor had the time to train them ourselves. Therefore, over the past year, I have made extensive trips to Italy and was able to recruit the necessary personnel for our newspaper.

Generally speaking, it is difficult to find bilingual personnel in Italy, so it takes an average of six months before an Italian journalist is acquainted with Canadian facts, Canadian law and so on and so forth. So again, this is an investment on the part of the publication to cover this journalist for at least six months.

From the business side of the ethnic daily newspaper, we outline in our brief the marketing aspect which brings about one of the most important ingredients of a newspaper—advertising. I don't want to sound like Roy Thomson, but with a staff of 117, payday rolls around pretty quickly since we pay them on a weekly basis.

We have spent in the past three years more money in research of our own market—since this did not exist—to give the national advertiser and national advertising agency the market data that they would require in order to have a better understanding of the market in which they were to invest money on behalf of their clients' products.

But in general, advertising agencies give us the impression of being apathetic toward ethnic newspapers for the simple reason that, first of all, there is an image that the ethnic newspaper is a poorly printed, a four to six page newspaper somewhere on Queen Street in the back of a bookstore.

True, this may have been the case in some of the small western towns prior to the last war, but I have been associated with the ethnic press since we founded the association back in 1954-55. The quality of their paper is much better today, but of course this again was brought about by the fact that they were able to receive sufficient advertising to permit them to make these changes, to better the quality of their editorial content, to switch

from maybe letter press to offset, and so on and so forth.

Getting back to the advertising agencies, in the past six months, we have in Toronto told our story to some 416 agency personnel. We think that this may have given them an insight into the market, but still they are reluctant to really pass on this information to their clients.

As a daily newspaper today, as an ethnic newspaper, we still do not receive anywhere near the amount of national advertising of publications half our size in Canada.

The apathetic attitude of agencies originates in other sources as well. To place advertising in a newspaper in a language other than French or English requires different production procedures.

A few years back, the attitude of the advertising agencies towards the French press in Canada was no different than it is today towards the ethnic press. Up until a few years ago, the French press was receiving advertising, it was simply translated for production and sent to the newspapers.

Today, no responsible French language newspaper, at least to my knowledge, will accept a straight translation of an English advertisement and I think this is a good thing. It is a good thing because you are reaching the market the way it should be reached in the language which they understand. An advertising agency in that case is rendering a service to his clients.

In the case of the ethnic press, this was one of the things we tried to get across to the advertising agencies in the last six months. With the market data we had and with the experience our staff had accumulated over the past 15 years, we are in a position to supply the advertising agency. There is no reason why advertising in an ethnic newspaper—or the Italian one for that matter—should be a straight translation of English advertising.

An example of this was the recent OHSP campaign by the Department of Health in the Province of Ontario prior to the changes in their Medicare. There was a great deal of money spent on the advertising telling the citizens of Ontario: "Don't worry; you are covered."

I am not trying to get political here, but the fact is the illustration in this particular advertisement was a fellow sitting in a hammock, or lying in a hammock and there was some copy to go with it.

Now, this particular advertisement simply translated into an Italian newspaper would certainly not convey the message. There is no such thing as a hammock in Italy and this is no way for an Italian to relax. There was no thought put into this particular advertisement.

So it conveyed the wrong message and it was a question of waste when it could have been thought out a little bit more and really rendered a service to the client.

In this case it was the Ontario government and in this case again, it was public funds.

Usually, the agency must rely on translators employed by the newspapers. This is true. In our advertising rate, all translations are done free of charge since we are working with the language; we know our readers and therefore we can assist the agency in translating or re-writing copy that will sell or at least inform.

Checking the accuracy of the advertising is difficult. In many instances the translation will have subtle shadings which stem from certain regions or dialects. This is true.

In our particular case, we are reaching a market that comes from some 18 regions in Italy, speaking some 40-odd dialects, and thank God there is one thing in common, and that is that the language is only written one way and spoken one way if it is spoken correctly.

For an agency to surrender control of production would be a prime factor in the agency's attitude towards the ethnic newspapers and its reluctance to place advertising, rather than the reasons sometimes given.

Now, our national reps met over some three months with the advertising executives—they said: Your rates are too high; or, can you guarantee your readership? Your people don't read newspapers; your readers don't buy my client's product; they see it on television. These are usually questions or answers that an account executive gives when he is really not familiar with the market.

The closest he ever got to the Italian community was his barber. This is true. It has happened so many times. I just didn't think that there were that many Italian barbers.

It is difficult for all members of the ethnic press to do the amount of research that is required in the market that we have had done. In the past few years D.B.S. did not supply too much information on ethnic origin. Therefore, it is necessary for a newspaper in an ethnic field to gather this information.

Other weekly newspapers in the English language and French language, have associations and the information is gathered for them.

As to other daily newspapers—on a regional basis, the C.D.N.P.A. does a great amount of research for them. I think it is every two years they do a consumer survey. This is material that unfortunately we cannot make use of. We can use it as a comparison, but certainly it will not sell our market.

The first thing that any new ethnic language daily newspaper would have to do in this particular field is to spend a good portion of its financial investment in the area of marketing research and marketing procedures. I think it is necessary for the publisher to know his market.

On that subject, I would like to add that last June, July and August, myself and my new managing director who for 17 years was the managing director of Rome's leading daily newspaper, *El Tempo*, spent three months in the City of Toronto where there are some 8 or 10 Italian concentrations. There is no ghetto but there are concentrations spread throughout the metropolitan area.

We had set up a trailer—a mobile newsroom type situation—and we would go out three days a week, pre-advertising our own publication on radio and that we would be in a certain shopping centre and in a certain area. We spent the day talking with our potential readers or the Italian people that lived in that particular area, wanting to know exactly what were their problems, how did they feel in Canada, what would they want in a new publication such as ours—although we were publishing at the time just three times a week. And I may say that I doubt if very few publishers in Canada today would be willing to risk the time and the close contact with the reader to really find out what the citizens of a community really want in a newspaper.

It was most gratifying for me personally because our publication, from the results that we gathered from our own market data and from this contact with the readers, was able to strike what we feel is an excellent product.

The judgment of this being that the forecast circulation for our daily newspaper for six months—we have been able to achieve in a little over three months. So again, I repeat, it is a question of market—knowing your market and having the information to go with it.

One area—in the press reports on the Senate hearing, one area in which we didn't touch too heavily was the question of freedom of the press and the press council.

On the question of the press council, we feel that it's a new concept here in Canada, and like any new concept it comes about as a result of a need. We are not aware of any need. In fact, I personally have never been conversant on the subject of press councils. I have just returned from London and tried to inform myself a little bit on the question of press councils and what some of the actions have been and how useful they have been.

But the first mention came in the guidelines that were supplied to us. We gather that you must have some overwhelming mail and petitions from the public for such a council or you would have never suggested it in your guidelines for this hearing.

If this is the case, then we concur that a press council is necessary in Canada. However, until such evidence is produced, we must be governed by our close association with our readers.

This I just mentioned a few moments ago. When you have that feeling you know who you are talking to, and you are able to service them and satisfy them. I think this is one of the best guidelines there is.

This close association with the readers leads us to believe that they are truly and honestly served by our newspaper. Fortunately, a newspaper is in a position of an elected opinion rather than an appointed opinion with the result that it must face its electorate every day. It maintains its position only as long as it honestly provides a service in the interest of its electorate or its readers.

In this concept, its electorate pass their votes against it by transferring their allegiance to another newspaper, and this happens every day. This could happen to our newspaper tomorrow because in our own market there are three other newspapers. Although they are weekly, they could eventually become daily newspapers, if we did not protect our investment by serving the people in the best interest of the community.

I seriously doubt that if *Corriere Canadese* existed within the framework of a press council that it would have little merit, let alone the opportunity, to sit here before you and express myself as freely as I have this morning.

Thank you very much.

The Chairman: Thank you, Mr. Iannuzzi. May I ask you two questions just at the start. What is the circulation of the paper now?

Mr. Iannuzzi: Some 22,000.

The Chairman: 22,000 a day?

Mr. Iannuzzi: Yes.

The Chairman: Secondly, would it be possible when you return to Toronto to send for example today's edition to the Senators? I think we have only one on file—I have seen the paper often, but I think it would be useful if the Senators could see it.

I realize that probably they won't be able to understand it, but I think it would be useful if they could see the paper.

Mr. Iannuzzi: Yes.

The Chairman: Also before I turn to the Senators for questioning, I would point out to the Senators and to you that on the 11th February, we will be having a day, much of which will be devoted to the study of the ethnic press in Canada. We will have presentations from the Ethnic Press Federation and there will be hopefully some type of forum in which we can discuss the role and function of the ethnic press generally.

All of which is not to preclude questions this morning about the ethnic press generally, but Mr. Iannuzzi is here less as a representative of the ethnic press than as a daily newspaper publisher, so I just hope you might be mindful of that in your questioning.

Senator Prowse: Have you felt that you had some success in working out with the advertising agencies this problem of translation, which I would imagine is their big problem? Their reluctance may hinge on the fact that they don't know how to write an ad?

Mr. Iannuzzi: Well, we have stressed this.

Senator Prowse: Have you received any useful reaction?

Mr. Iannuzzi: Yes. We are probably doing more translation now.

Senator Prowse: For them?

Mr. Iannuzzi: We have more Italian advertising from national agencies than we had in the past, but it is a slow process.

Senator Prowse: Most processes are that require a new adaptation.

Mr. Iannuzzi: Yes.

Senator Prowse: I haven't had the opportunity to see your paper but what is the emphasis on the news? Basically, are you trying to bring them the news from their region in Italy?

Mr. Iannuzzi: Well, we are in effect a Canadian newspaper in the Italian language.

Senator Prowse: Yes.

Mr. Iannuzzi: We cover all areas that the average daily newspaper in Canada would have to cover in order to inform its public and its readers on what is happening around them, both on the national and local scene. But there are areas such as old country news...

Senator Prowse: Yes.

Mr. Iannuzzi: I don't mean old news.

Senator Prowse: No.

Mr. Iannuzzi: Old country news from those areas—from which the majority of immigrants or Italian immigrants came to Canada. This is why we have had to set up an editorial office in Rome. We have some 60-odd regional correspondents throughout Italy. These are full time journalists with other newspapers in their own areas. They supply us copy on a daily or weekly basis.

We carry more sports than the average daily newspaper. This is because we must get involved in European sports and primarily Italian soccer, which carries a 39-week schedule...

Senator Prowse: It is probably the only place in Canada where you can get a proper report on a soccer game.

Mr. Iannuzzi: This is right. We cover the four main divisions in Italy. We have the wire news services that supply us with some of the information and the rest is done by telephone and we re-write it in Toronto.

On Monday mornings, we carry five pages of sports. This is more than the *Globe and Mail* does. This is because it is a requirement for a large segment of our readership.

The Chairman: How much of that, Mr. Iannuzzi, is Canadian sport; hockey and things of that nature.

Mr. Iannuzzi: We cover hockey.

The Chairman: Of the five pages?

Mr. Iannuzzi: Of the five pages, probably about a page and a half.

Senator Prowse: What would be the rough percentage or could you give us this, of the amount of Italian news as compared with Canadian news that you carry? Don't misunderstand me. If you are going to sell your paper you have to give people things they are interested in and the people want the home town news—I am aware of that. I am wondering how much, or what is the percentage of these two?

The Chairman: If I might just intervene here. There is a third dimension surely, and that is international news, which is neither Italian or Canadian. Where are you classifying that in your question?

Senator Prowse: Well, I think he understands what I mean.

Mr. Iannuzzi: What you call Canadian news—the distinction between Canadian news and local?

Senator Prowse: Yes.

Mr. Iannuzzi: That's what you were talking about?

Senator Prowse: Yes. What I have in mind is generally the type of news—what would be the percentage of the news that comes from the local areas in Italy—that has an Italian context—what would be the type of things that they were looking for, because after all, you have to have this association for your own comfort, don't you?

Mr. Iannuzzi: Yes.

Senator Prowse: The second thing would be news that had to do specifically with the Canadian scene. I wasn't too concerned with the international.

Mr. Iannuzzi: It's not too difficult for us, since in our newspaper's formula all pages are departmentalized, and this is where we differ from most Canadian daily newspapers.

We set up a page and a heading for every page, so that when it comes to Italian news as an example, we will have Italian news and Italian features, and therefore that would take up two pages on that particular day.

We also have a page which has the latest news from Canada and a local page which is Toronto news or Metro news, and we have another page from other cities in Canada

which gives us three page a day—to use figures—of Canadian content versus two of Italian content. So it is about three to two.

I can show you a copy right now to illustrate exactly what I am saying. The rest is on features and international news and theatre and so on. The regular components of a daily newspaper.

Senator Prowse: The reason I asked the question was that I noted in your research material that there is a tendency for the second generation in particular in the younger people to be more interested in what is now their local area, which is Canada.

Mr. Iannuzzi: This is true.

Senator Prowse: Do you anticipate a transitional period with your paper where gradually as your people have been here longer and become more and more integrated and familiar with the Canadian scene, that the emphasis may come to where that will have to be the main thrust of your efforts?

Mr. Iannuzzi: Definitely. If we expect to hold on to our readers, we must change with them. Prior to going daily, we made a study of all the changes we have made in the last 15 years, and we looked at the product 15 years later and there was no way that we can compare the first edition which had a high content of Italian news.

The majority of the immigrants that have come here in the last 10 or 15 years, their children are now in school. This is why we have increased our Canadian content and local content to this extent and I expect it to increase again in the early part of the year when, as I mentioned in my preamble, we will start publishing some English content in our paper.

We will not get involved in hard news since this is an area covered by daily newspapers in our own market,—but generally speaking, we will carry some feature materials and articles trying to explain the differences or the gap between the first generation and the second generation Italians in Canada.

In fact, this is an area in which a problem has arisen in the past few years. The generation gap is commonplace.

Senator Prowse: It is not only limited to you.

Mr. Iannuzzi: No, no. More so because we are dealing here with traditions and customs

that the first generation want to maintain, and Canada is a country that permits an individual to maintain his language and his customs and his culture. But it makes no allowance for how the second generation is to accept these changes in customs. To the second generation, Canada offers a completely new culture new traditions. As I say, it makes no allowance for how you bridge this thing. This is a problem which is let to the new Canadian family to work out on their own, depending on what regions they come from, and the countries they come from and so on. This is a hardship.

It is more difficult maybe for a Greek family to overcome this gap than it would be for a German family or an Italian family from the north versus the south. These are problems. These are things that a newspaper, an ethnic paper, sometimes must get involved in, because we are closer to the situation and therefore this becomes part of publishing and editing a foreign language newspaper.

Senator Prowse: If I may say a very important part. One of the functions that you see for yourself, is easing the transition of the new immigrant from the one culture, to acclimatize him in a way, to the new one.

Mr. Iannuzzi: Yes, this is right, because our role or the role of the ethnic newspaper should be a question of interpreting the Canadian scene. You do this by interpreting legislation, news and so on on a daily basis without having a writer sit there and saying to him "Now write us a nice piece on this, and we will give them a dose today."

This comes about by getting to them in the news.

Senator Prowse: You use slivers and not a 2 by 4?

Mr. Iannuzzi: Right.

Senator Prowse: How do you see the future in ten years time? Will your paper be in approximately the same format that you see now, or do you foresee any changes?

Mr. Iannuzzi: Well, we hope it will be much larger.

Senator Prowse: Well, from the indications, it probably will be.

Mr. Iannuzzi: No. Great changes of course will come about that our readers from time to time will let us know about and that our market research will bring about.

We are playing heavily on the English content idea because this will enable us to render a better service to a larger segment of the Italian community that unfortunately we are not reaching on a daily basis. We think we will strengthen our ties with our present readers, since they will also have the opportunity, as they are learning English, to read material about themselves, about their community and their country—material that they do not find in a daily newspaper.

As we outline in our preamble, 87 per cent of our readers do not read an English language daily newspaper, but this is to change.

No doubt in the next ten years daily newspapers more and more have interest every day in this particular market since it represents some 12 per cent of a community, which a daily newspaper like the Toronto Star, Telegram and Globe and Mail do not reach every day. I think they are working on it and they should be.

I feel this would not create any problem because since we are reaching this market in a language that they are more comfortable in and reading today with the way of life—reading can become a burden unless we are really comfortable and enjoy the material that we are reading. Otherwise, we misinterpret what is being said so that I think that in the Seventies, by approaching our market with English content, we have given ourselves the additional market required should immigration close tomorrow. An example is a question that my comptroller keeps asking when we are setting up the budget. "What does it look like for immigration" and I tell him "Don't worry about it. We always have about ten or twenty years ahead of us." There are enough problems and things wouldn't change that much for the better if immigration were closed tomorrow.

So I think that we have our work cut out for us. The changes will come about as the market changes and as Canada changes.

Senator Prowse: With your supply of news you say that you get a wire from Rome. Is this an Italian world wide service?

Mr. Dan A. Iannuzzi: We have an international news agency and, of course, as outlined we are also members of the Canadian Press and Associated Press.

Senator Prowse: Do you have any problem in getting membership in Canadian Press?

Mr. Dan Iannuzzi: No. We applied originally for a contract for the news and I might say that they were most helpful in assisting us and giving us consideration for the fact that the material had to be translated. The rate given to us, of course, was a little high for an ethnic newspaper—not for the average daily newspaper that would use tape material and would go straight to linotype but in our case this was an investment. It had to be in order to responsibly report the national news—something that we were not able to do. Our rate drops on the 22nd of this month and as of the 1st of January, after the annual meeting, we are in effect the 104th member for the Canadian Press.

Senator Prowse: I gather from the little I know about research work, that you spent considerable sums in order to get what you hoped, and I would hope it would be accepted as reliable research. Has this helped to satisfy the advertising agencies as to your readership?

Mr. Dan A. Iannuzzi: Well, the proof will be in the pudding. In 1970 we will have to see what happens then.

Senator Prowse: You will have to wait and see?

Mr. Dan A. Iannuzzi: Yes. Presently I think we can give you a figure there, or breakdown of advertising. For example, we carry about 6% national advertising, 50% retail or local advertising and 44% classified. We have one of the largest classified sections in the metropolitan area, aside from the Toronto Star. Basically in the past 15 years it was the hard core. The merchant that really had daily contact with the market really made the investment and it was they that really sponsored this newspaper indirectly. This is the source of our revenue.

Presently, we are carrying some half million lines of advertising per month which is slightly below some of the newspapers in markets our size and with our circulation. We would expect that if we did our homework back in the summer, the effect on advertising agencies, will bring about in the Seventies, at least an increase that would if nothing else cover the cost of the information.

Senator Prowse: Does much of your circulation go outside of the actual Toronto market or are you concentrated pretty well on that?

Mr. Dan A. Iannuzzi: The first thing we had to do of course—we had a number of regional

newspapers—I shouldn't say regional newspapers—regional editions—and prior to our decision to go a daily it was a question of merging them back into one newspaper and setting ourselves up primarily in the Toronto market and in some of the larger Italian markets in Ontario, such as Windsor, Northern Ontario, Sudbury, Sault Ste. Marie, Hamilton, etcetera. We now carry regional news from these areas. We are stringers and we would expect sometime in February or March to set up regional bureaus and get involved in the regional sections but still maintaining the one publication with greater circulation in these areas so that we eventually feel that within some three years, it would be a national Italian daily newspaper.

The Chairman: Mr. Iannuzzi, can I ask you what kind of relationship you enjoy with each of the other three daily newspapers in Toronto? Are they your competitors?

Mr. Dan A. Iannuzzi: No. I thought I illustrated that a few moments ago. Over the years there has always been an excellent relationship with daily newspapers. They have always supplied material free of charge.

The Chairman: Is that true of each one of the three daily newspapers in Toronto?

Mr. Iannuzzi: All except maybe the Globe and Mail. They charge us but, of course, they are a business publication and newspapering is a business.

The Chairman: But the Star and Telegram are more cooperative, are they?

Mr. Iannuzzi: The Star and Telegram are most cooperative, yes. They are the most cooperative of the three daily newspapers in Toronto.

Mr. James Wallace Thompson: May I make a comment on that?

The Chairman: Certainly.

Mr. Thompson: We find ourselves in the very enviable position of being a rather ram-bunctious child where the established daily newspapers are concerned. It is a position that we enjoy. Most of the daily newspapers go out of their way to be cooperative with us.

The Chairman: What percentage of your advertising is local and what percentage is national?

Mr. Iannuzzi: About 50 per cent.

The Chairman: It runs 50 per cent does it?

Mr. Iannuzzi: Yes. 50 per cent is retail and the rest is classified ads and national.

The Chairman: If I am interested in advertising locally, or nationally for that matter, to the Italian market in Toronto, what choice of media do I have? You mentioned three other weeklies?

Mr. Iannuzzi: Two weeklies and a monthly.

The Chairman: Might I consider using them. Are they competition for you?

Mr. Iannuzzi: Not really but probably everything is competition if you want to get right down to it. The other newspapers—they are not serving the market.

The Chairman: Well, let me put the question in reverse then. Do they regard you as competition?

Mr. Iannuzzi: Yes, I think they do.

The Chairman: The Senators may not realize those who aren't from Toronto—that we have a radio station in Toronto which is substantially dedicated to ethnic broadcasting—and of the ethnic broadcasting it does, I suppose, most is in Italian. Are you competitive with them and are they competitive with you and do the advertisers use both?

Mr. Iannuzzi: In some instances. Radio, of course, as a facility of allowing the station to sell what we call packages and so on and so forth which is something that a newspaper really can't do because of the basic cost. And in a newspaper if you increase your advertising you increase your cost, of course. In radio for the little experience that I have had in it you start off with your basic cost and you have a lot of time to sell. Within the regulations set up by the C.R.T.C., a station can permit itself—although it has a rate card of \$20 per spot—it can really go out today and sell them all for a dollar for the particular reason that the time is going by whether we sell something today or not. Now, this can be considered unfair competition in some particular areas.

The Chairman: I gather from something you said, you did use, or you do use CHIN to promote the newspaper?

Mr. Iannuzzi: Yes.

The Chairman: Do they carry your logs or timetables or schedules?

Mr. Iannuzzi: Do we carry theirs?

The Chairman: No, do you carry theirs?

Mr. Iannuzzi: No.

The Chairman: Do they advertise in your newspaper?

Mr. Iannuzzi: Not at the present time. They did at one time.

The Chairman: There is some Italian television coming into the Toronto market I believe from CHCH. . .

Mr. Iannuzzi: That terminated a few weeks ago. Their policy has changed.

The Chairman: Why has it changed?

Mr. Iannuzzi: All we received was a two paragraph memo.

The Chairman: There is no more Italian programming on television coming into Toronto?

Mr. Iannuzzi: No. On Channel 9 they carry a one hour programme on Sunday and there is a national sponsor which carries on Channel 11 a half hour American programme that was dubbed into Italian.

The Chairman: Who is the national sponsor?

Mr. Iannuzzi: Toronto Macaroni. Any ethnic programme that is done on either radio or television—the little that is being done on television—is not being done on CBC facilities. Toronto has one French language station which has the lowest ratings in Canada and I would like to go on record that we feel that there is a certain waste there of the facilities that could certainly serve the interests of the people in Toronto, not only the Italian language but certainly a number of other languages that are not served by radio at all, let alone television.

Sometimes CJBC carries this programming still from CBC Radio in Montreal and to a great extent. I speak French; I was born in Montreal, and occasionally I listen to this programme and I am darned sure that the few French Canadians that are in Toronto are not too interested in the farm broadcast that is coming out of Montreal, talking about Rimouski and the increase in production of potatoes and tomatoes and so on. I think that there are greater problems at the CBC's facilities, which as far as power is concerned, is one of the strongest stations in Toronto. I

think the CBC should look into this and see if it is not possible to assist in servicing the market. True, there is an ethnic radio station in Montreal and there is one in Toronto. They are not fully multi-lingual stations but these are stations that are given certain considerations on higher percentages allowable to normal radio stations from 15 to 40 per cent of foreign content and are still bilingual and I think this is a good thing.

I think radio should be bilingual the same way it works in our way as a bilingual language newspaper. The problem is that an ethnic radio station in a metropolitan area, in most cases, sell broker time; and, if I may explain that for the Senators, that is where a radio station will sell to a broker or a producer such as myself one hour of C time, Sunday morning, late Saturday afternoon, Wednesday night when hockey is on—this type of thing, at a cost—and I can table this—at a cost which is higher than that which a leading national advertiser can buy from the station through an agency paying the 15 per cent and having included the production charges as set up by the radio stations.

The Chairman: Yes, I can confirm that.

Mr. Iannuzzi: So that we bring about a situation where a broker, in order to satisfy his audience, in order to be on radio, and I will take one of the smallest ones—some Latvian group that wants to have radio programming one time a week on Sunday morning. They are forced to sell advertising and to use the maximum allowed by the C.R.T.C. At this particular point we are down to a situation of commercial, record, commercial, record, commercial, record and the programme is over.

With CBC's facilities even if this situation must continue, and I don't think it should, then the CBC could supply material—which these stations unfortunately are not in a position to supply—Canadian content. There is material being produced by the CBC that could be translated and produced, once again, in the languages that this country has available.

Today in the Metropolitan area, in both Toronto and Montreal—we won't get involved in some of the Western cities—all other ethnic programming, unless we want to consider Toronto and Montreal as monopolies—to use a word that has been thrown around here for the past few days—there is a situation where there is one station supplying ethnic programming, either producing it itself or

brokering the time. All other programmes—and this is where the statistics don't really tell the truth when we look at how much ethnic programming there is in Toronto—you can total it up and it would be somewhere around 55 hours—all this programming is done on fringe stations. We get involved in Brampton, Welland, Oakville, and Oshawa. These are all stations with one to five thousand watts in their own area so that a listener in Toronto in order to hear an Italian programme, other than the one he receives should he not be satisfied, must listen to something on a squeaky radio and so on and so forth, and that the broker in that particular area is paying for time again, higher than the stations who at one time did allow programming such as CKFH and CHIN and so on and so forth. All these stations made policy changes because their market changed and there was no need for ethnic programmes. It served the purpose at the time. It paid the rent and with that kind of money, why shouldn't it?

As the market changed and as everyone tried to reach for number one and number two spot, all ethnic programming was cancelled and, of course, most contracts as you know, allow for 15 days notice so you can have a situation where a broker may be carrying anywhere from two to ten hours a week of language programming on a radio station and within 15 to 30 days notice of the policy change on the radio station the programme no longer exists and there are no advertising contracts and so on and so forth.

The Chairman: I think it should be observed and would you agree that people who do ethnic programmes on a brokerage basis are not the only people who suffer this type of treatment. That is being forced to buy no prime time at prime time rates. Other groups who are treated the exact same way are certainly religious programming and the exact same treatment is given to religious broadcasting and indeed to politicians.

Mr. Iannuzzi: Well, it is not so bad as far as religious programming is concerned. I think we have to break this down into certain areas.

The Chairman: Fine.

Mr. Iannuzzi: One is the religious programmes on Sunday morning from within the community. This is not too bad because this is the right time for a religious service but on the other hand there are religious pro-

grammes which radio stations are paid for from US...

The Chairman: And for which they are paid religiously.

Mr. Iannuzzi: They are paid for by different sects in the United States and this programming...

The Chairman: And in Canada.

Mr. Iannuzzi: Yes, in Western Canada—in Alberta and so on. Well, this is ideal as far as time is concerned. I think Sunday morning and late Saturday evening is a good time for let's say the Bible Hour but on the other hand, on the television, the little bit of television there is both in Montreal—and how strange things work out that way—both in Toronto and Montreal the one or two hours of television takes anywhere from 10.30 a.m. to noon. This is the bracket in which they are in, a time when most Italians—in this case most in Montreal and Toronto would be in church. This is the time that they normally go to church so there is a toss-up there whether they stay home and watch television or really go to church.

Senator Prowse: Then, if you have a good programme, you are going to be in trouble with the church.

Mr. Iannuzzi: Well, I think this is something. We are not in the television end of the thing but I think that if I put myself in his position—here he is sitting on a film of an excellent soccer game that would be taking a full hour of his programming. How does he advertise it in our newspaper. Well, he says you stay home on Sunday morning between 10.30 and 11.30 and we are going to air this programme because this in the only facility available.

The Chairman: Well, we don't want to go on endlessly on this. What you are saying is, Mr. Iannuzzi, in your opinion the CBC should get into ethnic broadcasting?

Mr. Iannuzzi: Well, they should make the facilities available.

The Chairman: So that we are perfectly clear on the record here you are not suggesting that the CBC shouldn't be doing French broadcasting in the Toronto area?

Mr. Iannuzzi: No.

The Chairman: You are saying that they should be doing ethnic broadcasting?

Mr. Iannuzzi: I think that in the Toronto area the French programming should get its rightful percentage of a public facility.

Senator Prowse: What is the population in the Toronto metropolitan area that you would consider as your potential market?

Mr. Iannuzzi: Well, the Toronto Italian population—280,000 of which some 172,000 are really Italians—Italian speaking and Italian reading—and this is our market. The Italian population of Ontario is somewhere around 475,000 and this would bring it up to somewhere around 240 or 250,000 Italian speaking and Italian reading and this is the market area that we serve.

Senator McElman: Just as a matter of personal interest before we get started I see in the biographical material, Mr. Iannuzzi, that one of your interests is sharp shooting. What are the sharpies?

Mr. Iannuzzi: Well, I was a member of the Canadian Grenadier Guards and we had a team that went to Bisley one time.

Senator McElman: You are a subscriber to the Canadian Press Service of course?

Mr. Iannuzzi: Yes.

Senator McElman: Do they give you any particular service other than that given to any other customer?

Mr. Iannuzzi: No. Well, let me put it this way. We had a number of discussions with them—meetings at the Canadian Press office. They wanted to know what our requirements were and they tailored the service that we now have to suit our requirements. In fact, as late as a month and a half ago we were using the Ontario service and we figured we needed a little more national so they also included their first Canadian wire. We wanted a little more in-depth material since we must translate and rewrite the material. Since we must interpret we need more facts than the average daily newspaper would require. In order to accomplish this they also supplied us with the full New York service of Associated Press all within the same cost. I think this is quite helpful and we have been operating this way now for a month and a half. Only yesterday in talking to our managing editor, he felt the service is working out exceptionally well.

Mr. Thompson: When we first started taking the Canadian Press Service, we explained that one of our major interests was

receiving photographs of the soccer games that took place on Sunday in Italy so that we might publish them in our Monday paper. At that time, pictures of the soccer games were not available on the North American market at all. Canadian Press went to bat for us with the result that they are now transmitting two or three pictures of leading soccer games in Italy. Initially, they were for our use but now all subscribers to Canadian Press Service and Associated Press in the United States have taken an interest in these pictures and they are now coming over with greater frequency.

Mr. Iannuzzi: And it's not being charged to us. Initially, there was a separate charge but since there has been a request for it, now it is part of the service saving us some \$4,000 a year.

Mr. Thompson: I think it should be pointed out here that the Canadian Press is made up of professional newsmen and what we are doing is pioneering to a large extent—a lot of these papers have gone from weeklies to dailies and we are the only ethnic newspaper to go into the daily field. Canadian Press has taken a certain amount of pride in what we are doing in our pioneer work and they have really gone out of their way, both as a group and on an individual basis to help us.

Senator McElman: I take it you are getting a good measure of cooperation and assistance from Canadian Press. Is there any particular area—not particular to your own ethnic group but to the ethnic press in general—Is there any particular area where CP wire services could be of greater assistance to you? Are you satisfied at this point?

Mr. Iannuzzi: Yes, I think we are satisfied.

Mr. Thompson: A lot of the problems that we had in going daily and in the Italian language were of our own making—by virtue of the fact that we had gone daily. These are problems that are internal and we can solve ourselves.

Senator McElman: You have spoken of the immense amount of research data material that you have gathered. Is this available to other ethnic press—I am not speaking of your competition in your own ethnic group but would it be of use to, let us say, German language newspapers or others?

Mr. Iannuzzi: No. The actual material itself—the end result I doubt would be of any assistance to them since it pertains solely to

an Italian market; but certainly the method that we applied in order to gather this material and our own information and costs, and its uses and so on, could be of assistance to any other ethnic newspaper.

Senator McElman: Would it be available?

Mr. Iannuzzi: Definitely.

Senator McElman: Because obviously it is going to be known that you have done tremendous research here and it would be available?

Mr. Iannuzzi: Definitely.

Senator McElman: In this measurement or data gathering that you have done, do you have a breakdown of the age grouping of your circulation—and does this indicate that you are reaching the second generation part of your ethnic group as effectively as you should. Has there been a sufficient time lapse in your measurement to indicate whether it is going up or going down?

Mr. Iannuzzi: Well, this survey here was completed in the early Spring, early Summer and we have subsequent to this the information required by agencies and by advertisers—and some of our own information that we require. We used up our 1970 budget in 69 and a new survey is coming out just prior to Christmas when it will be released and will carry much more information, much more detailed information.

Mr. Thompson: We do have a breakdown of age groups certainly and we extend that breakdown and through cross-tabulation we are able to tell you the language spoken in the home between adults, between adults and the children, and amongst the children themselves. Incidentally, I might point out the fact that where the children concerned who are going to Canadian schools, and receiving their education in Canada, there seems to be a reluctance to speak Italian within the home. It is almost as though they resent things Italian because they are going to school with all kinds of children who are doing things, and who are allowed certain freedom which they are not allowed within the Italian home. As a result, these children very reluctantly speak Italian and then only when they are not able to communicate in English.

This is one of the major factors, I might point out, in our decision to start carrying the English language in our newspapers. We felt it was necessary in order to fully represent

the family and that we be able to communicate with the children in those homes that we were reaching.

Senator Prowse: Just speaking Italian when they want the car or money to go to a show?

Mr. Thompson: When they are allowed to go to a show, yes.

Senator McElman: I know sir that you attended Sir George Williams in Montreal. In instances such as the difficult problems that developed there last year...

The Chairman: Would you speak a little louder, Senator, as some of the people in the back can't hear you.

Senator McElman: In such an instance as the problems that developed at Sir George Williams over the past year, considering that the large part of your leadership is obviously first generation Italian—people who have, I am sure, on the basis of Canada selling the nation to prospective immigrants as the land of milk and honey with no problems—would you treat such a story any differently for your readers than would an English language or a French language newspaper?

Mr. Iannuzzi: No, so long as you stick to the facts. I presume that most newspapers do this. For that matter, the story itself, the news of what did take place would be identical.

Senator McElman: There has been no interpretation?

Mr. Iannuzzi: Not at an early stage. A little later maybe on some background material as things develop. As things develop we may interpret the cause and effect of the situation in Montreal. At the time of the happening we may not blow it up to the extent that a Montreal newspaper might or a Toronto newspaper might because this is an English-French situation and so on and so forth, but we will give it the prominence that it should have, since it is a national problem anyway.

Senator McElman: The reason I ask that—I tried to put myself in the mental context of let us say, a new immigrant from Italy. On the basis of what I have been told about the country I am coming to, my possible reaction might be "What kind of a country have I come to" and you say other papers might blow it up. The impression that might be gained is that this is indicative of the new generation, the oncoming generation in all parts of the nation. This is the basis for the question.

I can see where an immigrant—and not necessarily new—would worry very much about this sort of thing.

Mr. Thompson: That is correct.

Senator McElman: Even more than a Canadian born person.

Mr. Iannuzzi: This is true. These are problems that are happening in our case in Italy right now. Student demonstrations are world wide for that matter so I think he would be more surprised if he didn't have them in Canada and the US because they are happening, or they have happened.

Senator Prowse: They are not as upset as we are.

Senator McElman: You spoke at length about the problems that you have with the advertising agencies. Do you suggest that the problem lies totally, or almost totally, with the agency or is there is still some reluctance on the part of advertisers themselves. Do they not consider the circulation that you are serving important enough to go into?

Mr. Iannuzzi: Well, I would like to clarify the statement that I originally made on the question of the fault. I made the statement that the fault lies with the advertising agencies. The advertising agencies have been reluctant for the simple reason that they did not have the information in the past and still do not have it for the majority of the ethnic press.

In our case they now have at least an insight on the market and are able to interpret this to their clients, the national advertisers. The national advertisers themselves are taking a greater interest. In fact, I would say that we have received in the past four months more requests for information from the advertiser himself because he is the businessman in this particular case and he has the interest in the market for the simple reason that he has products sitting on the shelf that must be sold. The advertising agencies prior to receiving the information were reluctant in selling something they knew nothing about. Today they may be still reluctant but this is a question of production and of getting involved in an area that a special ad must be produced for the only Italian daily newspaper in Canada.

It is not a question of cost so much as time and involvement. It is easier to buy an ad in the Weekend with a million in circulation and

so on and so forth. These are problems that we have as a newspaper of course to face and iron out with the advertising agency.

I must admit that there is still a reluctance on the part of the agency to sell our newspaper to their clients and I think this is the role of the advertising agency.

The Chairman: How do you solicit business. Do you have your own sales staff?

Mr. Iannuzzi: Yes.

The Chairman: I have never been quite clear on this and I don't know the answer to this question. I am not clear on the role or function of—There is a newspaper representative house that sells on behalf of ethnic papers is there not?

Mr. Iannuzzi: Yes.

The Chairman: Is that New Canadian Publications?

Mr. Thompson: Yes.

The Chairman: Could you explain that to us?

Mr. Thompson: Yes. There are two rep houses that deal primarily or completely in ethnic newspapers. One of these rep houses I believe has 47 newspapers it represents and the other some 52 or 53. Unfortunately, in our case, and I think in the case of most ethnic newspapers, these rep houses must be all things to all men. When they approach an advertising agency, they are representing every language available in Canada and if an agency on behalf of a client is interested in reaching a market—an Italian market per se, they must of necessity listen to the sales pitch that that rep is going to make on behalf of the other 46 newspapers, and invariably, the market data is just not available for these other groups that is available, for instance to the German market, to the Italian market.

It is a problem that necessitates our spending more money in making a direct approach from our newspaper as well as our rep of course.

The Chairman: When did you go daily?

Mr. Thompson: September the 2nd.

The Chairman: And prior to that time did one of these houses represent you?

Mr. Thompson: Yes, and still does.

The Chairman: They still do as well?

Mr. Thompson: But we are complimenting it now.

The Chairman: I understand.

Mr. Thompson: We will be doing more and more of this in the new year.

The Chairman: I am going to transgress my own edict at the beginning of the session when I said we are not dealing with the ethnic press generally. We are not, but may I just ask you this one question? You would say then—and please don't let me put words in your mouth—that these rep houses haven't done a very good job of telling the story of the ethnic market to the agencies?

Mr. Thompson: Well, that is a loaded question.

The Chairman: Well, it is not intended to be.

Mr. Thompson: I think the rep houses are doing an excellent job insofar as they are able to do it. The majority of the newspapers that they represent—you must understand that there are newspapers with circulations of 1,000, 2,000, 3,000, 4,000 and 5,000 readers and these newspapers are operating on a shoe string. They may just have a staff of three or four people. They don't have the funds or the access to information on their market or on their readers to provide the ammunition to the rep house but I believe that within the limits that the rep houses must operate, I think that they are doing a good job.

It is simply that in going daily and because of the size of the Italian population, we must naturally broaden our base. We are doing that through a series of four or five surveys we have had done and we are planning additional market approaches in 1970. These are designed to augment and broaden our approach to national advertising.

Senator McElman: In your comment on the research that you were doing, you used a word without any elaboration—you doubted that other newspapers would take the same "risk" in going to their readers, in gathering data and so on that you have taken. Were you speaking strictly on the financial input there?

Mr. Iannuzzi: Primarily.

Senator McElman: I thought so, but I just wanted to clarify that.

Mr. Thompson: There is a factor I think here. In the case of a Finnish paper or a Latvian paper or some of the smaller ethnic groups, they are serving the community on a national basis. They may have 30 readers in Sudbury, 200 in Sault Ste. Marie, 140 in Hamilton, and these are all spread throughout the country; whereby the very virtue of the fact that there are 280,000 people of Italian ancestry in Toronto we are able to localize our market and get an accurate picture, a profile of our readers.

This is a problem. It is a problem of geography. We don't for instance do our market data—the data that we have, while we believe it to be accurate regarding the Italians in Toronto, I don't believe that we can apply this information 100 per cent for instance to the Italians residing in Hamilton or in Windsor, or in Sault Ste. Marie.

Senator McElman: Yes, your size really comes home to me. I am a New Brunswicker and the Italian Canadian population of Toronto is almost 50 per cent of the total population of New Brunswick. Your circulation on an ethnic basis is 22,000, I believe you said?

Mr. Iannuzzi: Yes.

Senator McElman: That is larger than some of the dailies in New Brunswick. It impresses me very much.

Mr. Thompson: Well, there are a few groups that live as communities—the Italians, the Portuguese, and the Greeks—strangely enough all countries aligned to the Mediterranean—these are countries that don't assimilate—these are groups that don't assimilate as quickly as your central and northern European groups do—with the result that people live in communities rather than to integrate into the population of the city.

For this reason their assimilation is retarded and we serve them from a different standpoint, for example, than a German newspaper would serve its readers.

Senator McElman: If you will permit me, Mr. Chairman...

The Chairman: Well, I am certainly going to permit you, Senator McElman, but I am wondering if you might give the reporter about 90 seconds to make some changes. (Short adjournment).

The Chairman: Honourable Senators if I might call this session back to order. Senator McElman, you may resume your questioning.

Senator McElman: For your benefit there is an old saying that misery likes company. As you have spoken of your problems, I would just like to briefly mention that we have not an ethnic but a French language daily newspaper in New Brunswick and relative to Canada, New Brunswick is not very large but it has a rather large piece of the land. We are settled sparsely along the coast and the waterways. The French speaking population of New Brunswick is mostly Acadian and is spread up one shore and across the top of the province. The population is approximately 250,000 and the French language newspaper has a circulation, as I recall, of about 8,000 that it must distribute. You have your package.

Mr. Iannuzzi: Yes, in the Toronto area.

Senator McElman: So I was simply giving you an example that misery has company. Do the English language dailies of Toronto give special attention to ethnic groups and particularly yours, by having people on their reporting or editorial staffs who are thoroughly backgrounded in the problems of the ethnic groups in Canada? Do they try to give any special attention here at all?

Mr. Iannuzzi: Well, from reading and checking daily newspapers they certainly do cover to some extent happenings within the various ethnic communities. Whenever I have had the opportunity of running across some of these reporting staffs of the daily newspapers, some of them do make an effort to know a little bit more about it. The *Telegram* prior to 1967 did have someone on an ethnic beat, so to speak...

Senator McElman: A person backgrounded?

Mr. Iannuzzi: Yes. He was a fellow from Western Canada, a fellow by the name of Leon Cauthor and only the other day I was talking to a reporter from the Toronto *Star* who just started there. He is Maltese who spoke some Italian and he felt great that he was talking to me in Italian but little did he know that he could speak to me in English. This is the case and I think as I mentioned earlier that daily newspapers in large metropolitan areas such as Toronto, Hamilton and Windsor in their own interest would have to take a good look at these markets and see how they can serve them. If not the first, at least the second generation of the ethnic market and I think they are doing this.

The Chairman: I would like to ask a supplementary question if I might. Oh, I am sorry, Senator McElman you carry on, please.

Senator McElman: Would you see any possibility of the great dailies of Toronto, the English language dailies themselves to say an ethnic section of the newspaper—using the language or would this be quite beyond their financial possibilities?

Mr. Iannuzzi: Well, I am not sure.

Senator McElman: Well, you obviously must have considered the possibility.

Mr. Iannuzzi: No, I doubt if a large newspaper with some 300,000 circulation would want to include an article really to serve 2,000, 3,000 or 5,000 if the bulk of the readership is paying for the paper in English—the language that he purposely bought the newspaper for. This would be space that he feels would be wasted. I doubt if a newspaper would want to risk that possibility.

Senator McElman: Well, we are talking new concepts in newspaper handling. I just wondered if you had considered this possibility arising?

Mr. Iannuzzi: No.

The Chairman: In a survey which was done for you by Elliott Research Limited you indicate of the 13 per cent of the Italian people who do get an English language newspaper it is interesting to note that the *Star* outsells the *Telegram* 3 to 1 and outsells the *Globe and Mail* 4 to 1. This is disproportionately larger than the margin the *Star* has over those papers in the community at large. I am wondering if there is any reason for that?

Mr. Thompson: Maybe they are getting more bulk for their 10 cents.

Mr. Iannuzzi: I don't really know.

The Chairman: It doesn't relate to ethnic coverage?

Mr. Iannuzzi: I don't really think so.

Mr. Thompson: The Toronto *Star* I think by virtue of its sports pages and the great volume of classified advertising that it carries as regards to houses for sale, job opportunities and this type of thing, I would think that would have a bearing on it.

The Chairman: But it's not related to ethnic coverage particularly?

Mr. Iannuzzi: In some cases it is. I would have to say that as an example—when this market survey came out, it was the first of its type, and the *Star* gave it probably more space since it was in effect informing its own readers of a community within a community and its size and so on and so forth. An area such as this would slowly bring an interest to both the second generation and eventually to the first. There is a higher readership there.

Mr. Thompson: I suppose of the three dailies, the *Globe and Mail* will say there are 280,000 Italians in Toronto, the *Telegram* will say there are 280,000 Italians in Toronto and where they came from, and the *Star* will say there are 280,000 Italians in Toronto, where they came from and why they came. I think it is just a matter of depth.

Senator McElman: You passed rather briefly over the freedom of the press. To this point have you felt any pressure, any infringement, anything that you feel from your standpoint would inhibit the freedom of the press for you or do you see that it is in perspective or possible there?

Mr. Iannuzzi: Not really. Not in this country. Of course, I put myself in the position, as any other publisher of a newspaper. I think that the fact that our staff comes from a European country, and my close association with other editors from other ethnic publications, it is surprising to them—the freedom that they do find in this country. This is something that these newspaper people really do not appreciate and it is the fact that they are able to report responsibly these facts and have a wide discretion in interpreting news and of writing it, more so than they had in their own country. Aside from the Iron Curtain countries, we get involved with the very democratic countries such as Italy where the press is Government subsidized and they have political party newspapers, where they have a very strong federation of journalists giving them all sorts of pensions, and they are apparently the highest paid professional people in the country—much higher than they are paid in Canada on a dollar basis. They really don't have the freedom that a Canadian journalist has today.

For many ethnic editors in our discussions—their view is that you don't have the feeling that you can hear the jack boots on the steps and if you say this to a Canadian newspaperman it doesn't even ring a bell. To an ethnic editor this is something that he was living with and in our own editorial depart-

ment these are working journalists who have worked from anywhere from five, in the case of our managing director, to some 30 years on Italian newspapers, and even in the postwar years with the New Republic. The industry clamped down on itself with Government intervention, Government subsidies and so on, and that freedom isn't there.

In our case we do not find, at least our editors don't find, any pressure or any influence at this stage. In fact, it is one of the first things they ask me—"What party do you support? What advertisers do we have to be nice to, and who pays the rent?" These are things that are happening in Italy right now.

Of course, they will pay for this very heavily in the next few years and the Seventies will show a great change in Italy as far as the press is concerned. This will be a living example of what can happen in a democratic country when a political party decides to support a newspaper. Large advertisers in the case of Italy, shipbuilders, oil companies and so on are interested in newspapers; and to add it all on top of that, the political parties get into coalition governments and therefore the Government gets involved. They get involved with subsidies to news agencies. Every politician in Italy has a news agency of his own and is getting a subsidy from the Government. This is all legislation that slowly creeps into Parliament and why not? Even using Italy as an example it is a democratic country.

It would be interesting to do a study on what happened to a free press in 20 years and I think that at least we are in our own area trying to avoid any of this particular thing. I would even go one step further and say that although Italy to some extent subsidizes the Italian press, other countries subsidize in the form of engraving, news services, feature travel and so on.

In 15 years our publication has made it point not to accept any of this particular material. I have just returned to Italy—I am president of the Italian press abroad—and this is a problem where I have to on one hand defend the publications that are published in Montevideo, in Europe, Germany where their feelings of course are altogether different than mine. They are stressing higher subsidies and so I have to speak out of both sides of my mouth. Higher subsidies for the Italian newspaper in New Zealand and the other one in Germany because they have different problems.

On the other hand I have to say, in our case we just wouldn't go for it. It slowly creeps in there and you will always find someone to whom legislation of this type will serve his purpose today; but in the long run I think that they are going to pay for it at a rate which really no publisher, or no writer would put himself in a position because he really can't afford it in the long run.

Senator McElman: Then, in the Canadian context, the term freedom of the press you suggest would have a greater depth of meaning than the definition that has been given to us by one or two—that it is the freedom or right simply to own, publish and sell newspapers?

Mr. Iannuzzi: Well, I think it goes beyond that. I think I have explained it and in the case of ethnic writers and editors this is the way they see it, and I certainly go along with it and I am trying to apply that to the theories that others have expressed here in the past few weeks. This also applies in a democratic country like Italy. This freedom that allows a large corporation to publish a newspaper on its own or for a political party—freedom to publish and say the things that political party wants to say, or for a Government—to subsidize a group of newspapers who say the things that the Government of the day wants it to say. This is freedom of the press.

If we are to interpret some of the things that have been said in the last few weeks—out in the end freedom of the press, I think personally, is the freedom of the reader to read the things that he wants to read—the information—freedom for the writer to write and express those things which the reader, the citizen of the country must know about—not tailormade.

Eventually in a generation with new writers coming up, 10, 15 or 20 years from now, freedom of the press could be misconstrued to be a theory that they are applying today—the right for certain people, certain groups, certain interests to publish a newspaper and take advantage of all the subsidies that public funds are available for now indirectly.

This is, of course, from the Press Gallery to the newsbox on the corner. This in effect, indirectly, is a subsidy. The news vendor doesn't have to pay for the space, the newspaper does. It is a privilege that the public has given a newspaper but in return for what? In return for responsible reporting without the control of the Government or big business.

Senator Smith: I find, Mr. Chairman, as time goes on the questions become fewer in number because the subjects are covered but if I might go back to something that you said quite a while ago. You made a reference to the effect of immigration of Italians from Italy. Do you have any serious worries that the flow of immigrants from Italy would be a very important factor in making an assessment as to what your long term prospects are for your daily newspaper?

Mr. Iannuzzi: Well, I don't think the policy in Canada on immigration will change. I think you would have to admit that immigration is one of Canada's prime requirements today. The thing that might change the situation is the fact that some of the European countries and Italy is one of them, where the standard of living is on the increase, will not permit a greater number who want to emigrate to Canada. When their conditions improve at home, there is absolutely no reason for them to emigrate.

In this case if immigration were to dwindle down to nothing then we would still serve, so long as it is required, the market that we are in—both the first and second generation.

If it really came to a point after 20 years that the newspaper no longer served them then it has no reason to exist because a newspaper should only be in a community until such time as it is no longer required. At that time the investment would amortize itself in any event.

Senator Prowse: By that time you may have changed with your changing market as well?

Mr. Iannuzzi: That is right. It could well be that 20 years from now we would be an entirely English language newspaper from an Italian point of view, still representing and serving a large number of citizens of this country.

Senator Smith: I think perhaps I should say, I think it is a generally accepted thesis that Canada's present policy is about as open as any other country in the world. I think the Canadian people in general—including certain groups who until more or less recently had doubts about the advisability of opening the door as wide as it is today—I don't think that they need to be educated. They have seen the great benefits of immigration. I don't think that immigration would be any more restricted than for the reasons you have stated.

That leaves me, and brings me, to a subject which I would like to learn something about. Where do the new generation of kiddies born in Canada learn to read and write Italian so that they will in future be readers of your newspaper? Well, let me ask you this. You were born in the city of Montreal...

Mr. Iannuzzi: Yes.

Senator Smith: How did you learn to read and write Italian?

Mr. Iannuzzi: Well, I started studying the Italian language approximately some 15 or 20 years ago.

Senator Smith: Well, did you learn it in the home?

Mr. Iannuzzi: Well, in the home there wasn't too much because my parents were both born in this country but it had to be studied through private courses and so on because there were no schools that would allow the Italian language to be taught. I think that as to stressing—some ethnic groups do, we haven't—the question of learning the Italian language—in other words putting pressure on the Government and the School Board to give us that right—I think it is a little early at this particular point as there is a much greater need to see that they learn English. Both the first and second generation have all the opportunities to take advantage of the educational system that Canada offers, at least in Ontario, more so than in their own country.

Too, in order for the second generation to really appreciate and understand their heritage, their traditions and customs and so on, it would be necessary certainly for them to understand the language and thereby read publications such as ours and maybe other literature that comes from Italy and Europe.

One point that I would like to stress is that Italians generally feel that it is Italy's responsibility more so than Canada's responsibility, to make available classes in the Italian language, whereas you get groups such as Ukrainians, Latvians and so on, from the communist countries who are pressuring for language classes in the regular school system. Italians generally feel that Italy, the Italian Government should sponsor courses, should supply material and so on, since there is a benefit. I think this could be applied to other countries.

Senator Smith: A benefit to whom?

Mr. Iannuzzi: To the mother country in this respect because if not in the first at least in the second generation—if someone speaks Italian, well, he would rather travel to Italy rather than Mexico, for example, because he can speak the language and therefore it has certain economic advantages to a country such as Italy, in travel, in products, in books and programming and so on. There is an advantage and I can see where there shouldn't be anything wrong with a foreign country supplying material. Of course, it would have to be approved and so on and in allowing for classes in languages we should see that we are not getting involved in politics in this.

Senator Smith: I am not quite sure yet that I have received the kind of answer that I was looking for. Let us assume that you have a next door neighbour that came in to this country ten years ago and they have two or three kids going to school and they go to English speaking schools, I suppose in your area, and how does that average sort of a family learn to read and write in that language, and if they don't, where are your newspaper readers?

Mr. Iannuzzi: No. There are a few churches that offer classes on Saturday and Sunday afternoons for five or six dollars a month and teach the Italian language. All this is available and I think there are two libraries in Toronto in the whole library system that do carry the odd book and records for them to learn, so that there are really no facilities in Canada for learning the Italian language.

Senator Smith: That situation, as you describe it, doesn't sound too promising for the future generation of readers and your circulation is going to be related over all the years to a flow of this immigration...

Mr. Iannuzzi: This is one of the reasons why by attracting them to our publication with English material, they will spend some time in reading some Italian material and thereby getting some benefit from it.

Senator Smith: Just one other question. I would like to ask Mr. Iannuzzi, are you aware of any promotion of Italian culture that is done by Government organizations such as the Canada Council or the Secretary of State's Department. Culture in any one of its forms, language, the dance, the music and so on?

Mr. Iannuzzi: Well, the Canadian Folk Art Council which of course was formed prior to our Centennial. There is a feeling that, unfortunately, there is too little being done by the Government agencies to further culture of the various ethnic groups. The feeling was that prior to 1967 that what the Centennial really needed was colour. This was true. To quote "Canada needed colour", and the only people really that could supply the colour at that particular time with the dances and festivals and so on were the ethnic groups.

Senator Smith: I think this is one of the most wonderful things that Canadian people can see on their televisions or even hear on radio. A lot of my friends say to me, well, what has happened to the programme that we saw in effect in 1967...

Mr. Iannuzzi: Well, it has served a purpose. Where do you go from there? The only thing that we have left since that time of course is the Canadian Folk Art Council which still of course does supply the CNE at the end of their season with a one night stand on Nation Builders 69 and I am sure next year we will have that Nation Builders 1970.

Senator Smith: Does that organization get funded by any Government agency?

Mr. Iannuzzi: Yes, primarily I think the Ontario Government and some Federal funds.

Senator Prowse: Yes, I was going to ask...

Senator McElman: Well, before he does Mr. Chairman...

The Chairman: Is this a supplementary question?

Senator McElman: No, I just want to make a comment. I resent that reference that the only colour had to be provided by the ethnic groups. That is a reflection on my Scotch kilt.

Senator Prowse: Perhaps we should make it clear to Senator McElman that in this country Scotch, English and everybody else are all ethnics.

Mr. Iannuzzi: I remember, Senator, if I may—during an interview with Senator Grosart some years back—talking with him—we were a group of ethnic publishers. He said of course that he represented an ethnic group, a minority group, and I told him at the time that "the only difference between yourself and myself was that your ethnic group was a ruling majority"—minority I should say—and "that of course made a big difference."

Senator Prowse: We looked up the meaning of the word "ethnic"—I think if I may, Mr. Chairman, in dealing with some legislation and we found that the dictionary defined it as meaning "non-Jewish".

The Chairman: It did?

Senator Prowse: Yes.

The Chairman: What dictionary was that, Senator Prowse?

Senator Prowse: That is in the New Oxford Dictionary. The definitive one and the word ethnic, as we use it here, is something that is drawn up in folklore since the war.

Mr. Thompson: We are not happy with the word ethnic. It has an alien connotation.

Senator Prowse: Well, maybe we could find a better word.

The Chairman: Would you prefer the expression New Canadian?

Mr. Thompson: I would prefer it.

Senator Smith: How old is new?

The Chairman: Exactly.

Senator Prowse: Perhaps if we just said language group it would make it simpler.

The Chairman: Do you have another question, Senator Prowse?

Senator Prowse: Yes, Mr. Chairman, the question I have has to do with the advertising and national advertising in particular.

It appears to me that the real problem you have with the national advertiser—if I am an advertising agency I can set up an ad, let us say around the phrase "Clean across Canada" which is a play on Canadian words and once I have my one ad produced then I can put that into about 1,000 English speaking publications and over the radio and television and I am set. In other words, I would have only one production cost which would be divided up between the whole bunch.

Now, when you come to an ethnic paper obviously this isn't going to be the case because there is a need to translate; so I have the same kind of production costs multiplied by the number of ethnic papers that I put it in. Now, is this one of the problems you have here?

Mr. Iannuzzi: Yes.

Senator Prowse: So that your answer seems to be is that you have to then come to them and almost you have to do the production for them and say "You tell us..."

Mr. Iannuzzi: Yes, that is correct.

Senator Prowse: And this is the basis of the real difficulties you have here?

Mr. Iannuzzi: Yes.

Mr. Thompson: Some advertising agencies, some of the more progressive ones, tend to consolidate at the planning stage rather than ask for a translation.

The Chairman: Any other questions? May I ask you then a final question just out of curiosity.

Could you tell us about your experience as a boxing promoter? You moved into the boxing business for a while, did you not?

Mr. Iannuzzi: No, our newspaper. Our newspapers, like most newspapers, gets involved in community promotions. At that time when Mr. Benvenuti had become champion we decided to promote a fight in Canada in Toronto with the proceeds going to the Canadian Save the Children Fund. We felt that this would be a way of introducing the Fund and for that matter all other funds since the system is peculiar to North America such as the United Appeal and so on and so forth. These do not exist in Italy and we figured this was a way of doing it and we did promote the thing and ran into a considerable amount of problems and costs—but this is how we really got involved in it. This is how we really got involved in boxing promotion.

The Chairman: Is Benvenuti the most popular sports figure in the Italian community in Toronto?

Mr. Iannuzzi: Well, apart from some of the national sports event.

Mr. Thompson: I believe he is.

The Chairman: Well, Mr. Thompson and Mr. Iannuzzi, thank you both very much. This has been a most worthwhile presentation for us, it has been interesting to us, not only because you are the fourth daily newspaper in Toronto, but because in February we will be examining a little more closely the role, the purpose and the functions of the ethnic press in Canada. I am sure that this morning's discussion will be useful in that regard as well. We do thank you very much.

The Committee adjourned at 11:55 a.m. until 2:30 p.m.

The Committee resumed at 2:30 p.m.

The Chairman: Honourable Senators, this afternoon we are receiving a Brief which is in the nature of a joint presentation by the Canadian Metis Society, the National Indian Brotherhood of Canada, and the Indian-Eskimo Association of Canada.

Sitting on my immediate right is Mr. Walter Deiter who is the President of the Association of National Indian Brotherhood. Sitting on my immediate left is the Reverend Adam Cuthand who is the President of the Canadian Metis Society. On his left is Mr. Bruce Rogers who will, I understand, be further introduced by Mr. Deiter. This session was to have been also attended by Mr. Walter Currie representing the Indian-Eskimo Association; however, I understand he missed a flight connection, and is unable to be here.

Now, I would say to the gentlemen, we have received a brief from your organizations. It has been circulated to the Senators, although this has been done as recently, I believe, as yesterday; and I cannot absolutely guarantee that all of the Senators have studied the brief in as much detail as we would like.

In any event I am going to propose that you take a few minutes, perhaps fifteen minutes if that is necessary, to summarize what is in the brief, to explain, to expand upon it, or to talk about anything else which may be on your mind. I gather both you, Mr. Deiter, and you, Mr. Cuthand are going to speak. Following that oral presentation you will be questioned by the Senators on the contents of your brief, on the contents of your oral comments, and indeed, on other comments; and any other questions which the Senators may have in mind.

With this introduction I will turn to:

MR. WALTER DEITER, PRESIDENT,
NATIONAL INDIAN BROTHERHOOD OF
CANADA

and ask you to speak first?

Mr. Walter Deiter: Thank you, Mr. Chairman. Honourable Senators, I guess I was prepared to make the introduction of the people but I guess it is already done; but on speaking of who we represent—I represent the Indian Organizations across Canada. That is we are pretty well organized from the Chief and Counsellors, or the Bands themselves up to

the Provincial Presidents. We have organized and appointed a National Chief.

The reverend Adam Cuthand is representing the unregistered Indians, or the Metis people; and I fail to see any difference between the unregistered, or Metis people, and the Indian people in general. However he is the President of the Manitoba Federation for Metis people as well as the Provisional National President of the National Body of the Metis people in Canada.

Now, Mr. Bruce Rogers, our Consultant—I think that is one way I can introduce him. He has been the Chairman of the Indian-Eskimo Association on communications, and has been a teacher of journalism and communications in the University in Toronto, and he has been on the CBC on the World at Six. This is a radio program; and I think at that I will turn this over to:

REVEREND ADAM CUTHAND,
PRESIDENT, CANADIAN METIS SOCIETY

Reverend Cuthand: Thank you, Walter. Mr. Chairman, Honourable Members of the Senate. There are certain things I would like to clear with you, there are certain terms which may appear in our brief such as "treaty indian", "registered indians", possibly "half-breeds"—"registered indians are those people who are registered with Indian Affairs, and are members of a certain band. They may live in the reserve, outside the reserve in urban areas, and rural parts of Canada; but the Metis to whom I refer are unregistered, have some Indian ancestry, and because our girls were very attractive they were married to either French, Scotch, Irish, or English; and out of that group we have the half-breeds as was mentioned in the Manitoba Act of 1870, or the word has been accepted at this time, the word "Metis". I am referring to a particular group of these people, those people who are living culturally, sociologically, and economically as the registered indians of Canada.

There are others of Indian ancestry who have been assimilated into the larger society numbering perhaps thousands and thousands in our Canada. These people who have been assimilated through inter-marriage with the rest of the Canadian race are in the affluent society, and have become members of the civil service, and moved to other provinces—some Members of Parliament. We are not concerned with these people because they are like any other Canadians, accepted into the larger society; but we are concerned with

people who have been left through circumstances, because of isolation, and because of lack of opportunity for education in the past. Our next illustration—I will follow with a summary of the brief, first of all, the native organizations are asking for a change in the way the media is serving the native peoples. One of our dissatisfactions is the concentration of the media on sensationalism.

Number 3, Government Releases especially, from the Indian Affairs Branch readily find their way into the media.

Number 4, public relations agents are paid for by the Indian Affairs Branch in order to give the Indian Affairs Branch a good image, while the Registered Indians have no such service. For example the Crockett writers of the City of Winnipeg have been hired, and have made an agreement with Indian Affairs to do that kind of work.

There has been a certain stereotyping of Indians which you will find in Appendix "B" of your Brief, page 3, which began in the early history of our country, and it says as follows "They can with truth be called savages, as there are no people poorer than these in the world. I believe they do not possess anything to the value of five pennies. They are great thieves and will steal all they can". Cartier said this of a poor and backward tribe.

Champlain is quoted "Along each side runs a bench four feet above the ground, where the inmates sleep in summer to avoid the innumerable fleas".

Now, these are some of the words that have appeared running through all of the history books which are taken by the students, and these kinds of supposed facts have been presented to our children in the social studies right across Canada.

On the positive side, however, which very few people know about—you find in Appendix "C", "Contributions of the American Indian to Modern Civilization.". As you begin to read this, you will find, for example, that 75 per cent of the foods that you have at home have been developed by the Indians in North and South America thereby giving this to the rest of the world at no cost. Our method of government called "democracy" was adopted by the Americans from the Confederacy of the Iroquois.

Then there are other things which you will read for yourselves, such as equality of man has been preached by our people in the past, the brotherhood of man; and many other

things which we have given to the world. Even the way of speaking—many words have been adopted from the Indian language which we use now at the present time.

Item No. 24 will have to be changed, but you will find in the preface, No. 24 at the beginning, it is on page 7 "there have been some suggestions that radio stations" I would like you to delete the word "radio stations" and put the word "media" instead.

Item 45 requests that immediate government action be taken to give various publications the same preferential treatment now enjoyed by daily newspapers. Recent increases in postal rates have worked a severe handicap on all native publications. We have several newspapers across Canada which have come out, and they have suffered because of this postal—the postal rates that have gone up since that time.

Number 9, a native Indian, or native of this country, when I speak of natives, I am talking of the registered Indians, Metis, or Eskimo—should be on the Board of Governors of the C.B.C. An Indian should at least be on the advisory council of the C.R.T. Commission.

Senator McElman: Excuse me, where is that contained?

Reverend Cuthand: It is not in the Brief. It is an oral suggestion.

Senator McElman: All right, thank you.

Reverend Cuthand: I would like you to refer to Number 42, "That steps should be taken to establish regional radio, television, video-tape, and press centres in order to adequately serve the total country with media facilities". This has been done in Sweden where the community is broadcasting for the community itself.

Perhaps Mr. Rogers would like to explain what happened in Sweden at this point.

Mr. Rogers: The experiment which is now becoming—and I might say more than in Sweden, is just a community or regional establishment which might do anything from preparing slides for community purposes, to the production of a film, or even transmission of radio or television programs for that community. This is, in fact, a multi-media establishment for the use of, and service of a given community, or region.

I don't know that there is any more I could say about it except that it would seem to be an established practice in Sweden where perhaps the need is less than it is here.

The Chairman: Yes, there may be questions.

Reverend Cuthand: Among the important recommendations is one which asks that the Department of National Defence stations now being phased out, be given to native organizations in their respective provinces. For example the D.N.D. Station at Moosonee is being phased out.

No. 12, our recommendations that Indian communities be given help to establish their own community low-power radio stations. We have, for example, in northwest Ontario an organization called "Kenomadiwin" which translated means the "Crying One". This is a program which is on low power coming from northwestern Ontario.

No. 13, there is a lack of educational opportunities related to job opportunities for the Meis people.

And last of all, through the mass media there will be an opportunity given to speak to one another as Canadians, and to all Canadians thereby giving us better relationships between different ethnic groups.

Mr. Chairman: Thank you, Reverend Cuthand. Is there anything you wish to add at this point, Mr. Deiter?

Mr. Deiter: No, I am just satisfied.

The Chairman: Mr. Rogers? something you wished to add?

Mr. Rogers: No, thank you.

The Chairman: Then I think we can proceed with the questioning. Senator Hays?

Senator Hays: Yes, Mr. Chairman, I think first on behalf of the Committee I should like to thank you for your brief. I think it is an excellent brief, and although I did not have the opportunity to go through it more than once, I think that it handles many of the problems and difficulties that your people are having, and I think it will be of great help to the Committee. I should like to just go through some of the Brief, there are some questions that I should like to ask in connection with the brief.

Reverend Cuthand, on page 8, paragraph 26 of the brief, the point is raised that the American Negroes have been getting more media coverage recently. This has been due to militant and dramatic action by blacks to draw attention to themselves, and their cause. You seem to suggest in the paragraph and

throughout the brief that the dissatisfaction of your Metis population, with the media specifically, might lead to a spread of this same militancy and violence. How is the Association planning to handle the militancy if it does occur?

Reverend Cuthand: I can speak personally about this problem because the Manitoba Federation was officially organized April 5th., 1968, the day after Martin Luther King was assassinated. The leaders at that time felt that we do not want to see this kind of violence take place in Canada; and one of the primary reasons why we organized was for this reason, to fight this kind of violence. Therefore, when we are concerned with a problem we do it by negotiations, and also by just talking about it with people to replace what you would consider to be violence.

Senator Hays: How do you think that the media could harm this sort of thing, or where are they falling down insofar as it is concerned?

Mr. Rogers: Well, I think, Senator, the brief suggests a number of ways in which the media have not been serving the minority groups, and specifically Indians, Eskimos, and Metis people. They very often—their pre-occupation with sensationalism, as referred to by Mr. Deiter in his opening remarks, has lead to the ignoring of the real issues in a given community, whether it is a reserve, or a concentration of Indian people—or independent people of Indian descent in an urban settlement. So there might be a pre-occupation with a single isolated incident of violence that had nothing to do with the ancestry of the people involved. At the same time the media would have ignored the conditions which lead to that violence. A typical situation must be pre-occupation with a brawl, a beer hall, while the media have ignored the lack of adequate housing in the community for instance. This might have lead the Indian people to think of the beer hall as the only centre, the only community centre, the only place they had—or place for social relationships.

Mr. Chairman: I was going to ask earlier about this pre-occupation with sensationalism to which you referred before, Reverend Cuthand? Do you relate that only to the media coverage of Indian affairs, and Indian development? Or is that a broad criticism of the media generally?

Reverend Cuthand: I would say it is much broader.

The Chairman: It is a general criticism. I was not clear on that.

Senator Hays: Thank you very much. Now, on page 11, paragraph 35 where it is stated that modes of communication fail to meet the needs of minority groups...

The Chairman: Just a moment, he has not got it yet.

Senator Hays: Then I will repeat, if modes of communication fail to meet the needs of minority groups, the country will probably set a course of violence action, as minorities seek their rightful place. Would you just expand on this? I am wondering if insofar as the media is concerned, in your opinion should there be some control, or some regulatory bodies? Whether it is within themselves, or how can these best be handled? How do you keep this sort of thing that you are suggesting out of the media?

Mr. Deiter: I would like to just make a comment on this point that you are talking about here—about this violence, and about the media, and about these people that go around shouting "fire". We cannot stop the freedom of the press, but we can get some real constructive things in the papers if we had the means to do this. Now, in dealing with these violence situations, the National Indian Brotherhood is working from crisis to crisis, and if there was a better communications system in dealing with communities we would not be having these crisis to crisis situations happening, and we would be able to settle down to more constructive ways of doing things. In order to get this across we need communications.

Senator Hays: How would you stop the newspaper coverage—say that day on the brawl that you speak of? How would this be stopped?

Mr. Deiter: Well, I do not think we would go into stopping anything like that, but then we would be publishing news that is constructive—apart from the people. The bad coverage we get on this kind of thing—I don't know how we can control this. We cannot because we are dealing with the freedom of the press, and we do not want to suppress this.

Senator Prowse: What you are suggesting, I gather is this, if they are going to carry a story about the fight, or drunk, then at the

same time in that paper they can balance it off by printing a story of somebody who has achieved a little success, or done something good and beneficial in the community? In this way you would get a more balanced picture. Is this what you have in mind? In other words put in the good as well as the bad?

Mr. Deiter: Yes, the point is here, if they would not mention nationalities.

Senator Prowse: Yes.

Senator Hays: Do you think that they should not mention nationalities Indians? or Eskimos?

Mr. Deiter: Not in bad publicity like that, because there surely was a mix-up in Northern Saskatchewan when this Peterson case happened. One group was Metis and the other white, and there was such a mix-up, they were trying to connect the two with may be an up-rising or something, and this doesn't look good for the Indian people in Saskatchewan.

The Chairman: I am wondering if either Mr. Rogers or Reverend Cuthand would care to comment on this question of Senator Hays. I think we are agreed this is a desirable objective. I think what Senator Hays is asking Mr. Deiter, is how do you achieve this—particularly being given the point which you have made so well about the facts of a free press?

Reverend Cuthand: I would like to say that I mentioned previously the stereotyping of Indians. At the present time, we realize, all of us, that there is a barrier between native people and the other Canadians because of this stereotyping, and therefore there is a great area to be covered in the areas of publicity for the Indian. There is the fact that the public at large have to be educated on the potential of the Indian. The only time an Indian is useful is when there is a crisis—a war it appears to us now. Many Indians volunteered in the first, and second; and fire, when there is a fire the Indians are in the front fighting fires.

I mean the public are not aware that the native people of this country have a potential for the common good of this country, and this is the work of the media to get this across to the public.

The Chairman: If I might just ask, how can you make the media do this? Is it the art of persuasion—by appearing here today? Is that it?

Mr. Rogers: I think that is one of the ways, and as Mr. Deiter pointed out that is the prime way—and Reverend Cuthand made the same points, that the Indian, Eskimo and Metis will try through this kind of presentation, and any other opportunities to make their points; but I wanted to point out there is no suggestion in the brief of censorship. There is no reference to a press council in the brief. The Organizations decided that they would not deal with those two subjects. That is not to suggest that neither Chief Deiter, nor Reverend Cuthand will not have anything to say on specific questions but those points are not covered in the brief—the brief does not take a negative position in this respect at all. The brief however does speak to the problem that you raise I think, Senator Hays, that in many ways the many particular items in here, that if there was less status quo orientation in the media, then the minority groups of all kinds, and the poor would probably have greater access to the media. That is they would be serving a broader spectrum of society rather than concentrating on the middle class, and the affluent who can buy the products advertised. I think that point is simplifying it perhaps too much.

Mr. Deiter: I would simplify it to the point—give us a T.V. station and paper of our own so that we can do this kind of thing.

Mr. Chairman: I take that point, but let me ask you a question in return. If you had a newspaper and station of your own, that probably would not rectify the stereotype problem which you have been talking about, that for example say the people in Toronto may have, because presumably the radio station or television station would not be in Toronto?

Mr. Deiter: I wouldn't say they wouldn't be in Toronto because that is one of our biggest reservations in Canada.

Mr. Rogers: It would serve a purpose in a centre like Toronto, or Winnipeg, or Regina—anywhere there are large concentrations of people of native decent. One of the problems recently dealt with at some length in the media in the urban centres—the problem for instance, of just one of the symptoms—suicide in a certain age range. This is, in some part, undetermined here—a result of a negative self-image which is a direct reflection of the stereotype problem. So if you did have some sort of media service that reflected that concentration, the problems, the issues, the aspi-

rations of those people, it might be that negative self-image could be altered.

Senator Hays: Are there any Indians on newspaper staffs? Do you have reporters? Are any of your people reporters, editors, editorial writers?

Mr. Deiter: We have such a small number that it is hardly effective. We have some with C.B.C. Well, we have Johnny Asenault with the Indian Magazine which is a very good program that all Indian people across Canada listen to; but I think that is about the only one that I know of. Well, they have in northern Alberta, they have a scheme there. Then there is another one...

Senator Prowse: Is that the "New Start Scheme"?

Mr. Deiter: I don't think that has anything to do with the "New Start Scheme" because they were operating...

Senator Prowse: The radio program?

Mr. Deiter: It is the radio program.

Senator Hays: You mentioned somewhere in the brief that there has been a lack of farm programs. You mention that this has probably hurt the Indian, that most of them are agriculturists and there was a lack of farm broadcasts, and that sort of thing. Now, I did not know that was the case but may be I am wrong about it.

Mr. Deiter: No, I think this was just a reference to farm forum.

Senator Hays: There should be more farm forums, is that it?

Mr. Deiter: What worked for farmers could work for Indians.

Senator Hays: That kind of program.

Mr. Rogers: It was a community confrontation kind of program with built-in feed back which enabled farmers to know the effects on conditions, sometimes rather specifically. It suggested in the brief that it could still serve that purpose, and also serve broader purposes in solving the problems of other communities.

Senator McElman: This is just a comment at this point. The Gleaner was represented here yesterday by Brigadier Wardell, and it carries a regular column, I believe it is daily, which is devoted solely to the constructive

purposes and interests of the St. Mary's band at Fredericton. This is written by a lady who is not a native Canadian but all of the information, and all of the research, etc. associated with it is done by members of St. Mary's band, and it does appear regularly, and I believe daily.

Senator Hays: Well, I don't have many more questions. I would just like to pursue this news problem. Do you know what the incidence is of reading a daily newspaper among your people? Do you get more communications through radio, or the television, or is it by newspaper?

Reverend Cuthand: Possibly I can answer part of this. The farther north you go, the people rely a great deal on radio—the Northwest Territories, northern Saskatchewan and Northern Ontario and so on. The farther south you go, people use both the radio and the T.V. Now, that the T.V. is coming in, many of the natives have the T.V. in their own home, and it is both, and of course the press, etc.

Senator Hays: I think the radio is more important than the T.V.—in the future probably more than newspapers.

Senator Prowse: Depends on the area.

Reverend Cuthand: It appears to be, especially when the broadcast is given in the native language as they have done from the communications people living in Edmonton under James Steinhauer.

Senator Hays: Do most of the native Indians, in addition to their own language, speak English or French?

Reverend Cuthand: This is true, yes.

Senator Hays: One hundred percent?

Reverend Cuthand: We still have people in northern Manitoba for example including Metis who do not speak English, they only speak the Cree language. This is also true in northern Saskatchewan.

Senator Hays: Is it true right across Canada?

Reverend Cuthand: Oh, yes. Northern Ontario...

Senator Hays: What percentage would there be?

Mr. Deiter: Many of them know basic English.

Senator Hays: But they all go to school?

Mr. Deiter: No, I went into a whole Metis community, and this is supposed to be mixed, white and Indian, and not one of them spoke English. I had to drive over and talk my mixed-up Cree and try to find somebody to interpret so I would be able to communicate.

Senator Hays: These people are not exposed to education at all?

Mr. Deiter: No. Father Renaud would certainly know about the situation in this field.

ANDRE RENAUD O.M.I. UNIVERSITY OF SASKATCHEWAN

Father Renaud: This is very simple. Of the adult population of Indians, particularly in the north, or in all Canada only half of them went to school. Only half of Indian children were in school up to 1945—which means the adult parents have never been in school. Those who went to school went to about Grade V, and as a result, the functional literacy, particularly in the north is almost nil.

Now, there was a study made in Manitoba I remember, about the input of information, about two years ago, into the northern Indian and Metis communities. About 15 per cent have radio and it comes only exclusively in radio because newspapers are not known, and magazines—well, Eaton's catalogue—that gets there once in awhile for various purposes; but the input of information is predominately nil. A survey was taken by the Department of Forests to find out how the Indian trappers learn about changes in trapping, and so on. Most of them did not know except through the Game Officers. This radio in their language is important because it is the only means of access to information. What has amazed some of us over the years is that Canada is perhaps one of the most technical in radio communications, and we would be the last one to help our native people, whereas these technicians are being used in South America for those purposes.

Senator Hays: May I ask a question on this same subject? You say in 1945, or since 1945 are all of the native children now being schooled?

Father Renaud: It has taken all these years to get class room facilities and teachers, and I think now it is about 98 per cent. There are still some that are loose somewhere in the woods but that is because there is no contact with them.

Senator Hays: Are these schools in the big unit system?

Father Renaud: Increasingly, yes—increasingly so. More than half of the children of Treaty status, for instance, or registered Indians are now in schools under municipal auspices, or in the northern areas, like Manitoba, Saskatchewan and Alberta, they have a large provincial school unit. It handles the education more and more of all of the children of Indian ancestry, both registered and the other ones.

Senator Prowse: They go to the same school as every child in the area goes to now.

Father Renaud: Increasingly. Where it is possible. For instance in Manitoba there is 65 per cent on the reserve who are inaccessible.

Senator Prowse: Isolated communities.

Father Renaud: Yes.

Senator Prowse: What about Indian Affairs building residences near larger centres, like Dauphin or The Pas and making it possible for an increased number of children to attend high school. I worked in one of these Indian Residential schools from 1931 to 1934 so I have my opinions about them. Are these residences now acceptable to the Indian and native people, and are they working out well?

Mr. Deiter: I think I could answer you on that one. I think our population has grown quite a bit you know. We have the same kind of—you might say that we have the same problems that white people have when it comes to liquor, and broken homes. This kind of school just about takes up that population, and actually I think there are not enough of them to take up this type of family grouping.

Senator Prowse: The reason I asked the question was there was a very wide-spread feeling among the native people at that time almost to resentment, that their children were taken from them and placed in the school. I think it was probably soundly based, and was wondering whether the present attitude towards residential schools had changed in that they were more suited to the requirements of the native parents, and gave more consideration to the wishes of the native parents than was given thirty years ago?

Father Renaud: The majority of children—there is about ten thousand at the most that are in residence, they are not called residential now, they are just residences. Now, these

children are generally from broken homes, or sick parents, and a variety of cases. They are really welfare institutions now more than schools. They are still used in some areas as residences for older students, or students of children of trappers. Needless to say that program was changed from the program of the 1930's. Historically these schools were brought about by conditions. There were no roads anywhere, and the only way that some attendance could be maintained was through residences here and there. Historically the first residential schools were started at the request of the Indians of southern Ontario.

Senator Prowse: Would you say these residences are adequately staffed at the present time?

Father Renaud: Increasingly.

Senator Prowse: In other words, the problems are appreciated, and the needs and wishes of the native people are being taken into consideration now in the development of these institutions?

Father Renaud: Not fully but to a degree.

The Chairman: May I just interrupt to say with great respect that we are dealing with the media and not the educational problems of the Indian people I do not mean to be rude...

Senator Prowse: Yes, that is all right, I am used to it!

Mr. Chairman: We will come back to you, Senator Prowse but I believe Senator Hays has a few more questions.

Senator Hays: Thank you, Mr. Chairman. Is there any such thing as an hour's program, or a two hour program in their native tongue? Is there any such program?

Mr. Deiter: There is a program in northern Alberta, and it is working out very well but it is too small for anything. I would like to hear some of the things that they are yelling at—they wanted the Indians to take over responsibility. Give us the responsibility of doing this instead of just talking about it because we are willing to take over anything we can get hold of, but we are not getting a chance.

Senator Hays: Could this be resolved by your staffing insofar as the program is concerned, say so much of a day? Would this be the way to do it rather than running a radio station?

Mr. Deiter: Let me answer you again. In running a radio station, give us a chance and just see if we will not run it? What happened when they kicked the British out of the Suez Canal? They said they could not run it, but the darned thing was run after they left.

Senator Hays: I am just wondering whether you want this subsidized for such a small audience. I don't know financially whether anyone could have a program for a few thousand people; but there must be ways around this that it could be done. It would just seem impossible to me with a few thousand people to run a radio station all day long?

Mr. Deiter: This is another question. Just give me one of these oil wells that we gave to you guys, we'll run it.

Senator Hays: Well, you give me a couple, I will help you.

Mr. Rogers: I think a couple of examples are given in the brief in each of the categories that you have now referred to. The C.B.C. is performing this service in a modest way through the northern service, and through the operation of stations like the one in Yellow Knife, and I think one at Tuck.

Senator Prowse: They have one in the east too.

Mr. Rogers: There is also an independently owned community low-power station in the eastern Arctic. The one there gained some notoriety a couple of years ago because it was taken over, and then later sanctioned by the Department of Transport I think.

So you have examples of both operations, one domestically owned in a community for its purposes with a low-power transmitter. The costs do not have to be as high as C.B.C., and there were some people on staff on a freelance basis. I believe broadcasting in Eskimo, and in several of the languages of the MacKenzie.

The Chairman: These C.B.C. services obviously one of the grievances with them is that they are not extensive enough; but are those that exist satisfactory?

Mr. Rogers: I think in the case of the Yellowknife broadcast, it has been proved there is an audience out there and it is serving the purpose, yes.

The Chairman: And where the C.B.C. facilities exist are they satisfactory?

Mr. Rogers: I find it difficult to answer.

Mr. Deiter: Let me put it this way, the radio broadcasts that are done for Indians in the north are serving the Indians better in the north than it once was—better than the ones that have every facility to serve people and are not serving the people.

The Chairman: Except for the fact that the existing services are not extensive enough, those that do exist are moderately satisfactory, are they?

Mr. Deiter: No, or else we would not be here.

Senator Prowse: I don't think—will you try that one over again—because I do not think he means they are not moderately satisfactory but that the whole problem is not answered. What Senator Davey was asking, if you will pardon me, was where you do have a service and within the limits of where that service reaches, is that moderately satisfactory for the area that is now being reached?

Mr. Deiter: Oh, yes, yes.

The Chairman: That is it Senator Prowse, thank you.

Senator Prowse: Where it is not satisfactory there is not a big enough area being reached?

Mr. Deiter: Yes, but in the populated areas we have all of the modern facilities that reach everything else. Everybody else.

Senator Prowse: But they are of no use to you?

Mr. Deiter: But because of the language differences they are useless.

(From the Floor): Mr. Chairman, it may be that I could clear up a point here. I am responsible for the northern service of the C.B.C.

The Chairman: Well, it is most unusual, but by all means, we shall make an exception.

(From the Floor): Where the northern service operates we do broadcast the native languages but that does not apply to other regions of the C.B.C.

The Chairman: All right, that is fine. I did not mean to be rude, but it is most unusual to have someone speaking from the floor. Thank you. Senator McElman, I believe you have a question?

Senator McElman: Broadcasting in native languages, could I ask, is it actual physical broadcasting done by natives?

The Chairman: Who are you putting that question to?

Senator McElman: Anybody?

Mr. Deiter: I think so far all of the native language broadcasts have been by natives.

Senator McElman: Is then the answer, Chief, that we have more C.B.C. low power units?

Mr. Deiter: Well,...

Senator McElman: Just a moment, I have not finished my question. Low power units, C.B.C. established, owned, perhaps mechanically operated but staffed by native people?

Mr. Deiter: I think this is what we are asking for in our brief.

Mr. Rogers: If I may, I think you are asking for a little more than that in the brief. I think the suggestion here is there should be community owned and operated stations right in the community—low power stations. You might reach the same goal via C.B.C. but I do not think that is precisely what the brief asks for.

Senator McElman: C.B.C. is owned by Canadian people, and is performing a service, a national service. What would be the objection to it as part of the C.B.C. network? What would be the objection to Canada, as such, through this corporation providing such service with the native people doing the actual administration within the units?

Mr. Rogers: None, I expect.

Mr. Deiter: As far as we are concerned it is entirely up to them, I feel that we are just as much tax payers as anybody else.

Senator McElman: Exactly.

Mr. Deiter: The only tax we do not pay is the reserve property tax, but I live in the white world, I pay every tax that comes along and then some. I complain the same as everybody else.

Senator McElman: Then what would be the advantage you aim for in having a community-owned—this is what I am trying to get at, as opposed to C.B.C. owned, but operated by the native people themselves.

Senator Prowse: Made available to them.

Mr. Deiter: I think this would be a real step in promoting the Indian people into getting into the main stream of economic socialism, you might say. If you understood the Indian Act and what we have been through the last hundred years—it was only four or five years ago that it was almost impossible to get a guy like me to come and talk to you guys because we thought it was impossible.

Senator McElman: I think we understand.

Senator Prowse: May I ask a couple questions? First of all, can anybody tell me whether the facilities in the armed forces bases, and the American radar bases which it is anticipated are going to be declared surplus soon, are those radio facilities of a kind that could be adapted to use by a low power community station?

Mr. Rogers: Yes, they are.

Senator Prowse: Would they require any substantial modification? or would they be all right just about the way they are?

Mr. Rogers: Depends on how well they have been maintained I expect.

Senator Prowse: My second question is this. If you were going to go in and establish a low power station, how much money are we talking about? Somebody is going to ask that question, I might as well? What does it cost? I have in mind—I think somewhere I got a figure that it was in the neighbourhood of about \$120,000.00 a pack?

Senator Hays: I understand that it is about 17,000.00.

Mr. Rogers: You can do it for much less I think. I believe some of the community stations that have been put on the air on college campuses in the U.S. have been put on for as little as ten.

Senator Prowse: I see.

Mr. Deiter: When we are suggesting the news stations we are more or less going on the principle that if we cannot get a Cadillac, we will take the Model "T", you see.

Senator Prowse: It is always a good sound principle.

May I ask another question? To go back to our Page 8, section 26, when you are referring to black Americans—you say "token black involvement in commercial messages,

situation comedies and dramas show a new awareness of the importance of the black community". In checking that brief, the word "token", and "tokenism" appears in here, and I get it tossed at me every once in a while; but it seemed to me, as a person watching the American shows that come in, that I am getting quite used to seeing black people in the shows. Now, I would think that if I were a black person in the United States, that to me to see my own people accepted in a perfectly normal situation along with everybody else, would help me to picture myself that way. So while it may be tokenism—what I am getting at—would not this in your opinion be helpful if we adopted the same kind of principle and policy, here in Canada, of showing the Indian people in perfectly normal situations, side by side with normal, ordinary people?

Mr. Deiter: This is a real good thing. This is a real step in the right direction if we could bring that out; because the shows today that show Indians show him getting chased around by somebody with a rifle, and he is running away with the bow and arrow.

Senator Prowse: He is always the bad guy?

Mr. Deiter: That is right.

The Chairman: Just for a moment at this point I would like to state an impression that I have, and I hope, Gentlemen, that you will be frank. I concede at once that the media probably has not done a very effective job of setting forward the potential of the various native communities, and it probably has not yet done a sufficient job of putting forward the problems; but I am under the impression that in the last several years that there has begun in the media in Canada, and particularly on television, attempts to portray the real problems of your community. Now, is that an unfair observation? I sense things are changing? The stereotype, of course, continues to exist, but I think to make a blanket coverage, or a blanket condemnation and say nobody is doing anything is a little unfair, because I think the media are beginning to? Now, I have made a statement, but I put it in the form of a question, is that a fair observation or not?

Mr. Deiter: It is fair, and it is not fair because the balance of the shows that come where Indian people are brought to the show are still being stereotyped, there are more Indians getting chased around on the television than there are doing the chasing.

The Chairman: Have there not been documentaries setting forward the problems that you have?

Mr. Deiter: Oh, yes.

The Chairman: Do you not regard those as useful?

Mr. Deiter: What I think is more useful is getting information of Government services to Indian people, right to the reserve level so that they will know what is happening.

The Chairman: I accept that, of course, but I am referring more to the stereotype which may exist in the broad community. Would anybody else care to comment on that?

Reverend Cuthand: I would like to say this. When we first organized in Manitoba, we had a CBC crew there spending a day with us on a course called "Social Animation" which I think was very well conducted by two men, Dr. Des Connor and Stan Cyril, but when it appeared on CBC only a minor part of this program was on the CBC. And mixed with this was a program of an appalling situation—where you have your beer parlour troubles, and so on. What we did there was offset by the other things that happen which are not becoming of the Indian, or Metis in The Pas. I mean the bad was outweighed by the good. This is the way I saw them because they took a great deal of time to photograph this course, but a very minor part of it appeared on the program.

Mr. Rogers: I think to answer your question, you only have to say that the Indian and Metis people have become far more aggressive in recent years in their efforts to be heard in the media, and elsewhere; that they have had far more interest from professionals in the media, and there is an acceleration in that direction. The brief is evidence of a degree of dissatisfaction that persists, and it will for sometime I expect; but to answer your question directly there certainly has been an improvement if quantity is any indication, however the stereotype certainly exists.

The Chairman: Yes, I am not disagreeing with the brief in any way, shape, or form, but in fairness I thought I should make the observation I did.

Father Renaud: I guess with Bruce over the last ten years there has been a much broader coverage of situations on reservations, and this is the new members. There is no doubt

that the majority of Canadians now are aware of the sad situations; however the point that Chief Deiter is making now, it is almost overdone, and that the idea is that if you are an Indian—well, you are a poor fellow living in a shack, and so forth. There has not been enough promotion along the lines the Senator was suggesting. The very casual promotion of Indian persons in a variety of situations where younger Indians could identify themselves with positive models instead of the destitute models.

The Chairman: I take that point. Senator Prowse?

Senator Prowse: Well, the other thing would be—I have had occasion to do a little bit of reading, and when I read about Crowfoot for example, I am satisfied if it had not been for Palmer and Crowfoot western Canada would be part of the United States today; and I think I would include Louis Riel in there too. Now, for the life of me, I cannot read that in a Canadian history book; I have never seen it on a CBC documentary, or read it in the Canadian magazines, magazine section, or a story in the newspaper. It has begun to exploit the tremendous image picture there is in the three men I have mentioned, and if they wanted a real adventure story, or an image for people there is the fellow Gerry Potts who may have made a greater contribution than any of them to the development that Canada does stretch from sea to sea.

Now, is there something that can be done in this area to give these people the heroes that they are entitled to?

Reverend Cuthand: I would like first of all, Mr. Chairman, to ask the chairman is the curricula of the provinces considered to be part of the mass media?

The Chairman: Well, I think in fairness in terms of mass media, it is not; but I think you should feel free to comment. It really is not, but please go ahead and comment?

Reverend Cuthand: There is a change in the Province of Manitoba and Saskatchewan where the curriculum is being changed to give a better image of the native Canadian. Now, I have been to classes in the City of Winnipeg where I have talked to Grade III students, and they still find very silly questions. Do the Indians go to the bathroom the same as we do? or else do they still live in teepees? or are they still scalping people? therefore the children who are aged nine and

ten, or eight, nine and ten still have this image of the Indian because they get it from the history books, or social studies.

Senator McElman: Or television?

Reverend Cuthand: Or television, yes. So the Curriculum Revision Committee of the Province then becomes very important. I happen to be on the Curriculum Revision Committee of the Province of Manitoba, and I know Father Renaud has done a great deal of work in this area. As a matter of fact, he is one of the leaders in all of Canada in this area of work.

The Chairman: Would you care to make a comment on that, Father?

Father Renaud: Well, it is one of the toughest jobs to do—to revise curriculum because it is like setting in a different direction a massive structure which is not just a text book. You have got your teacher training institutes, and departments of education, and the whole works.

This is where again short cuts could be taken definitely through a greater contribution from radio and television—because books are getting out of fashion more and more—if there were more programs, or more studies, or documentaries. The films have started to do some things but every so often they get clipped here and there and they cannot do it any further. The same thing applies with the production of tape recorded materials that can be used, or fed through the system in school broadcasts. There is not enough yet, and particularly on the development of the west. We are missing out on history which is far more fascinating than what we hear about; but they do not want to hear it, and I expect this is why this Committee is here—to study the ways and means of getting these things done. We are ready to advise, to suggest, and so forth, but you are the people who can say—give the green light.

Senator Prowse: If the press were to adopt as a style, in any case where they are dealing with a crime, or with poverty, they would give the persons named but no further identification of them? Would this be a step in the right direction? If they would do this voluntarily—I am not suggesting that we should make it a law?

Mr. Deiter: I suggest that we leave the names out of the business for a while until we get a little more development out of people because our names are definitely tell-tale at this time.

Senator Prowse: They are part of the stereotype.

The Chairman: Could I read something from your brief? I would like to have the comments from you, Chief and Reverend Cuthand, and perhaps from you, Mr. Rogers.

In Section 14—you say in the second sentence, "Mass media is designed to be bland pap, inoffensive to all, and suited to the advertising of consumer items like soap, deodorant, automobiles and cheese". That seems to me to be a terribly damning indictment of media generally. Do you mean the statement to be as strong as it seems when you read it and is that your general observations on the media generally? Let us start with you, Chief?

Mr. Deiter: (No answer.)

The Chairman: Or do you want to start, Bruce?

Mr. Rogers: Well, the point we are trying to make here—if there is a broad bias in the media in Canada, this would seem to be the single greatest bias—that the media are for the most part commercially operated, and including the C.B.C.'s efforts that they are dependent upon advertising revenues for their maintenance and operation; and in order to reach the greatest possible audience, one of the trite and true techniques is to offend as few as possible. If that is your guideline then chances are you are not going to provide much more than pap. Now, obviously that is sort of generalization. It does not stand up when you find an admirable effort in a newspaper, and social criticism in a daily, or some of the public affairs efforts of the C.B.C. It is not so much an indictment as citing that one overwhelming influence on the conduct of the media.

The Chairman: Reverend Cuthand?

Reverend Cuthand: I went into a home last year where the little girl of the family was crying. The mother was unmarried but they had been able to get a television set at a very nominal cost. The reason why the little girl was crying was because of the fact that she wanted to go to a drive-in centre and the mother had no car, and they had no money. This is the sort of thing that happens to the poverty-stricken people of this country. We advertise so many things they cannot afford, and it does disturb the children who are short of money. You can go to certain finance companies to borrow, or else trade in the car for

a new one. For the poverty-stricken people who have this kind of problem, because so much is advertised that they cannot afford, therefore the children become dissatisfied, they are dissatisfied with their parents and this creates family problems.

The Chairman: May I say sir, that I made that very point, perhaps not as eloquently, but I made that very point in the speech I made in the Senate last February in which I proposed this Committee be structured. I agree totally with that, and I am delighted you made the point. I cannot help wondering though if this sentence is not too sweeping. I wonder if we went downstairs now and bought the Ottawa Journal, and the Ottawa Citizen on the news stand, I wonder if we could condemn them as "bland pap, inoffensive to all". I appreciate you may have said this, and the point is well taken—this point is well made throughout the entire brief—but perhaps that extreme phraseology—I am not trying to be argumentative, I just wonder if you mean it as severely as it hits me when I read it?

Mr. Rogers: I think we prefer you to concentrate on the first sentence of No. 14 where the suggestion is made that "Government policy and support is necessary to improve media performance because of media dependence on advertising revenues". Government policy, attitudes, moral persuasion if you like, support of various kinds could be used to change the bias of the total media picture—if there were more community stations of the sort that we discussed earlier.

The Chairman: You are talking now of the electronic media, are you?

Mr. Rogers: Not necessarily, no. We could be talking about print media as well. If there was more of this designed to serve community purposes as well, that would probably change the performance of established media as well; but it would certainly change the total picture if these communities were serving their own needs—their own needs with their own facilities. The few attempts so far as publishing from Indian communities could certainly do with assistance, and the Indian community could be assisted greatly in communicating with one another. This would change the overall picture.

Senator Prowse: On page 6, the second paragraph on the top of the page—about half way down it says "Government subsidy programs, such as Manpower retraining, have

rules and regulations that also prohibit the involvement of Indian people". How does this work? or how does it have this result?

Father Renaud: Could I answer this? There are minimum standards for admission, and if you recall what I said about the adult Indian population not having gone to school, they fall below even that low standard. In some Provinces like Saskatchewan, I have tried to lower that level, but they have not been able to do it as affluently as the manpower program, and as a result they have not been too successful.

Senator Prowse: In other words there has not been enough preliminary work done to bring them up to the level where they could take advantage of the programs that presently exist. So either you have to supplement the present program, bring it down so they can help the people, or else put in a supplementary program?

Father Renaud: Yes, acknowledge the specific needs of that particular group that are not met—that are not met by the general program, and accept them as part of the total deal, or bring up another set of programs.

Senator Prowse: That is another question, and it falls within the same thing as you are speaking of now. Have the recent cuts in the budget of the film board actually resulted in a diminution of the work that could be done by that Board for the native people?

Father Renaud: This is what we heard recently.

Senator Prowse: From them?

Father Renaud: Yes.

Senator Prowse: Thank you.

The Chairman: Yes, Senator Hays?

Senator McElman: On that Manpower program, is it not true that currently there is available a program—and this can be run any time of the day, or any time of the night as I recall—classes which start at the very beginning? It is called up-grading training I believe—or something similar—so that even with adult people who are illiterate, you can start them, and they work through until they get the rudiments of spelling, reading, writing and arithmetic, and then they are moved into another grade, and it is continuous?

Father Renaud: This is just beginning.

Senator McElman: It has been in effect for eight years that I am aware of?

Father Renaud: What Province?

Senator McElman: In New Brunswick.

Father Renaud: Yes. It all depends on the regional office, and so on—the way they interpret the Act.

Senator McElman: Yes, well I know it has been put to extensive use in that Province.

Mr. Deiter: I went to Manpower and asked them for programs for Indian people, and there was a misunderstanding here. Instead of lowering the standard to meet the Indian people where they were, they give us more spaces.

Father Renaud: Which we could not use.

Senator Prowse: Could not use?

Senator McElman: Have you tried through the Provincial Department of Labour to get this going with Manpower?

Mr. Deiter: Oh, yes, we have been really active in this field. I started on this education kick in about 1956. I was trying to get a course that would not be so junior, but would fit grown up people, and it took about four years before they produced one.

Senator Prowse: The juniors were grown up by that time.

Mr. Deiter: The fellows I sent had never seen inside the class room. They were fellows working in the city, and they just wanted to be able to read the bills, or read the orders, or read anything, you see; At that time we had a guy driving eighty-five miles every time to come in and learn just basic reading—just a basic reading course that we had.

Senator McElman: I cannot understand, Mr. Chairman, because this program is available in Canada, and not in any particular Province in Canada I don't think. I am sure there were no particular arrangements made, and this would seem to be the sort of program you are looking for.

Mr. Deiter: This is another point, that we have a hard time. We have not got the funds available to get that kind of information out to the people. We have hundreds of programs, and it is to get it out to the people, to get the proper explanation so that they will take these kind of programs.

The Chairman: Senators, will you try and complete the questioning in the next ten or fifteen minutes? Will you therefore organize yourselves with that in mind. I think we can do it.

Senator Hays, I think you have the next question?

Senator Hays: Where is the largest vacuum in your opinion? Is it economic insofar as the newspaper media is concerned? Or education-wise? I would just like to make an observation. It seems to me in the last eight or ten years, in the field of economics, there has been a great deal of planning that must have been of great help to your people—that certainly was to everyone, I think, in Canada insofar as economics are concerned, and I am speaking particularly in agriculture, and I am wondering—

The Chairman: Do you mean in the media?

Senator Hays: In the media, yes.

Mr. Deiter: It is getting this information explained to Indian people. With most of the programs that are designed, they spend five minutes on the application and how they are going to put it across, or how they are going to tell the people about it, and they spend the rest of the month designing a program that will not even fit the situation that they are going after.

We have the same problem with the Branch right now. They have got fifty million there they have been yelling about for six or eight years, and we still have not got one nickel of it for economic development.

Senator Hays: Chief, I was not meaning that, but insofar as the news media is concerned, if there is a vacuum, which you say there is, your people are not—they are just not getting enough news through either broadcasting, radio, or the news media. The newspapers? Where is the big vacuum? Is it on the cultural side, educational or economic? You take for instance the program on agriculture that they have every Sunday for instance—what do they call it? Country Calendar? If you just listen to that every week, it is a fantastic farm program if you are interested, and want to go ahead and do it. I think every farmer in Canada is better off that listens to it. It must be listened to; and I am sure it must be listened to by your people. I can think of many, many programs like this that are wonderful programs. I am wondering

if it is economic, cultural, or educational? Where are these vacuums? Or is it a language problem?

Mr. Deiter: Combination of both—about three or four things in this light here. Being able to understand the English that is being spoken over the television, or the radio—we have got one-third of our northern people—

Senator Hays: Education?

Mr. Deiter: That don't speak the language. Maybe another third that just have basic English that they can hardly communicate with—

Senator Hays: Do you suppose these programs—I remember being in Japan about a year-and-a-half ago, and my wife was with me in the hotel room. She said "I want to show you something you will get a kick out of", and the Gomer Pyle program was on, and he was speaking Japanese. You can go to any country and see this dubbing-in of languages. May be this is an area—it is taped anyway, would this be of help? This sort of thing?

Mr. Deiter: This is one of the things that we are talking about in our brief.

Senator Hays: It really is a language problem?

Father Renaud: Communications problem.

Mr. Rogers: I think perhaps if I waited it might be more convenient for your question, Senator.

There are two ways in which you could describe the vacuum. One would be the lack of reflection of the Indian, Eskimo and Metis part as a part of the Canadian Society, and under that heading there are a number of other categories which cover things like the dominant poverty culture which is part of the native culture of Canada.

Another point would be no reflection of the aspirations of Indian people as part of this country. Another one would be the broad cultural thing, what are the contributions, and what they have contributed. What is their cultural place? Another one under that same heading would be employment, employment in the media. One of the ways in which the media could reflect their presence would be greater employment opportunities in the media.

Then, the second category of vacuum, I suppose would be that the Indians are only on a very small scale able to speak to Indians and to Canadians at large.

Mr. Chairman: Very good, Bruce.

Senator Hays: That is a very good answer.

The Chairman: Are there any other questions?

Senator Prowse: I have one?

Senator Hays: Yes, I am through.

Senator Prowse: Page 11, right-under the Recommendation 35:

"That more stringent limits on concentrated multi-media ownership be instituted in order to avoid the widening gulf between the 'haves' and the 'have-nots'. When one part of society controls the major means of communication in a country, and when the dominant society fails to adequately reflect the needs and aspirations of the minority groups, the country is probably set on a course toward violent social action as minority groups seek their rightful place by other means".

Now, what I am concerned about... you are talking about the "concentrated multi-media ownership". Has it been your experience that the individually owned media, like the privately owned papers or singly owned papers tend to do a better job in the area than newspapers that are owned by chains, or multi-media areas?

Mr. Rogers: I do not think that is really the distinction that this attempted to make.

Senator Prowse: What you are doing is widening the distinction between the "haves" and "have-nots"?

Mr. Rogers: It is strictly the economic division that the native culture is predominately part of the poverty culture.

Senator Prowse: I see, thank you.

The Chairman: Are there any other questions?

Senator McElman: This matter of the negative side of the image of our native people, if I could just lead into this by saying that all of us have been watching, over our adulthood, the television of the U.S. films—United States' shows one way or another. We get them and have been getting them for a long time, and there is always the cowboy chasing the Indian, and The "uncle tom" show. Now, as a consequence of the virtual uprising of the black people in the States you do not see the "uncle tom" show anymore—now, I am not

suggesting that is the way to overcome it, nor by putting on equally grade B movies where the Indian chases the cowboy and wins the show; but have you taken the practical approach of—as an association, dealing with C.B.C., or C.A.T.V., because let us face it, television today is what is making the impressions with our younger people. This is where we should be aiming, I think you will agree, the adult population, or adult generation—how much are we going to change the impressions that have been put over so many years? It is the younger people that T.V. is reaching. Have you taken the practical approach as an Association to deal with the heads of C.B.C., and the heads of C.A.T.V.?

The Chairman: Do you mean C.A.T.V. or do mean C.T.V.?

Senator McElman: C.T.V., I am sorry.

The Chairman: All right.

Senator McElman: With the objective of at least reducing the incidence of these bad movies, and I mean "bad", not just in the sense of the cowboy beating the Indian?

Mr. Rogers: The Indian-Eskimo Association is a citizens' group, as opposed to purely a native group. Individuals have been running that kind of campaign by the mails, and telephone calls for some time, and apparently with some effect; but in a more positive way, they have been trying to get the deeper story, if you like, across in the daily news opportunities. I think that has been the approach, not so much to censor these things that have long been a part of the television fare, but to promote coverage of things more substantial and contemporary.

Senator McElman: You misunderstand me. I am not suggesting a censorship, but that the association go to the heads of C.T.V. and C.B.C. and say, "Could we have your co-operation for these reasons? You are dealing with young people, it is these young people that watch the shows. Could we have your co-operation?"

Mr. Rogers: The Indian-Eskimo Association is done that certainly in relation to C.B.C., and with a great deal of co-operation, particularly in radio, but also television people are involved in the other organizations.

The Chairman: I think Chief Deiter would like to add something.

Mr. Deiter: I appreciate your question, and I sure will follow this up because we are just more or less of a new organization, and we are dealing with things as fast as we possibly can, and this is one thing we will certainly go after.

Senator McElman: All right.

The Chairman: You should be, and I am sure you are, mindful of the enormous technological advances which are upon us in the media, and which should, I think, provide the kind of access you are after. You know this is almost here now and I think it should be—it may be—far less difficult in the future than it has been in the past, for technological reasons over and beyond the accelerated awareness of your problems.

Mr. Rogers: Are you speaking there of the proliferation of channels by cable?

The Chairman: That is one thing, yes. There are other things. Senator McElman, were you finished?

Senator McElman: Yes, thank you.

The Chairman: I just had one other question I wanted to ask. I would be curious to know which of the existing media have the greatest influence on your various native communities in the country? Are they more influenced by television or print—now, at the present time?

Father Renaud: Radio.

The Chairman: Radio. Because it is radio that they hear most, yes. Senator Bourque?

Senator Bourque: I would like to know if these gentlemen all speak the language, the native language of the area we are talking about now? Do you speak the native language, sir?

Mr. Deiter: No.

Senator Bourque: And does the Father?

Father Renaud: No.

Senator Bourque: You speak French too, Father?

Father Renaud: Yes.

The Chairman: Mr. Rogers says that he speaks the native tongue of Toronto. That is a very special dialect, Senator Bourque.

Senator Bourque: Yes. Well, what I have in mind, near Montreal we have the Caughnawaga Indians, and I was just wondering if any of these gentlemen speak the language they speak?

Mr. Deiter: No.

Father Renaud: No, that is a different language entirely.

Senator Bourque: A different language entirely, is it?

Father Renaud: Yes, and the Caughnawaga people have to relearn. They had lost it for awhile.

Senator Hays: How many different native tongues are there?

Father Renaud: That depends on how you classify the mother tongue. There are eleven mother basic tongues, and about fifty-two dialects.

Senator Hays: Are you suggesting then that you would have to cover all of these groups that are over fifteen years of age?

Mr. Deiter: No. I was sitting around the table where there were eleven bands represented in the area meeting, and there was eleven different languages spoken there—so they all had to communicate in English.

The Chairman: Could I ask just one other question. You immediately answered my last question which was about which media had the greatest influence. You said the radio. Now, I expect in giving that answer you were thinking of Indians generally. Let me ask specifically about Indians in Toronto, for example, and in the big cities, which media would influence them most?

Mr. Deiter: Radio.

The Chairman: Still radio again?

Mr. Rogers: I think so.

The Chairman: More than television?

Mr. Rogers: Well, I think so. You see so much of the Indian population the City of Toronto would be young people, and they live in single rooms very often. They don't have television sets but many of them can afford a transistor radio, so they listen to the popular rock stations, or country and western stations for the most part.

The Chairman: So it would still be radio. That is very interesting.

Senator Hays: How many Indians are there in Toronto?

Mr. Rogers: There is no real record, and no way of assessing it. There are about 30,000 in Winnipeg now I think.

Senator Hays: I understood Senator Gladstone to tell me there were about 25,000.

Mr. Rogers: In Toronto. That would probably be a modest estimate if there are now 30,000 in Winnipeg. I would suspect there would be more in Toronto.

The Chairman: Senator Smith?

Senator Smith: I would like to put forward a personal point of view about the effect, at least of one media, on exciting the interests of the general Canadian population in the plight that the Metis, and Indians, and Eskimo find themselves?

The Chairman: Please do?

Senator Smith: I find myself from time to time, not running, but walking rather rapidly in defence of some work that is done by the C.B.C. As I was listening to a lot of the commentaries being made, I got thinking about three or four items which I myself had seen on television, which also were discussed by friends of mine. One was the story of this Johnny Esneau—I think that was the title of it—which depicted this unfortunate Indian boy, who through no fault of his own, was in a great storm in one of the western cities, and it was a very sympathetic treatment of that young Indian. The point I am trying to make is that it also might have indicated to the Indian people that we are always depicting one of this kind of Indian, and not a fellow who is making a go of it in life; but in order to excite the sympathy of the white people who do not have a closer contact with them, this is the kind of way that you can do it.

Now, I hope I am not taking up too much time, but I think it is important. I was impressed, as were some of my friends over the dramatization of this true story about a young Indian boy who got in a mess in Ottawa, and finally lost his life through suicide. I thought that was a very sympathetic touch that that little Indian lad, through no fault of his own, could not make it in the educational system, and we white people who are attempting to do something about Indian

Affairs—you know making their life more comfortable for them in every way—I think are helped by having our sense of values in these things brought to our attention.

Now, I can think of one or two others, and I think these have been valuable things, and that is why I would hope you would not insist on stopping that kind of presentation of that kind of Indian. We are looking to help him, and when we do that we are also looking to help all the other Indian peoples. I think the C.B.C. has done a terrific job in painting the picture of the Eskimos up north.

I have been in the north a little bit, and I have seen it close at hand, and now I find my friends talking about the kind of conditions due to the economic changes, the sociological changes that are coming to the Eskimo people; and I think that his story has been well told in some of the colour documentaries.

I do not expect any particular response, but I thought I should at least express my own personal view on this thing.

The Chairman: Thank you, Senator. Anybody care to comment?

Father Renaud: We agree.

Senator Bourque: I say that I am sympathetic to the Indian movement because I had the honour of being made a Chief of the Caughnawaga Tribe sometime ago. My name is Chief Tetakiwiniswatha.

Senator McElman: What does it mean?

Senator Bourque: It means he who spreads the news.

Senator Smith: Well, that is what this is all about.

The Chairman: Perhaps on that note we can conclude this session. Now, I want to thank you four gentlemen for being with us. I am sorry, Father, that you did not have a formal invitation. We are delighted that you joined us. One of the purposes of this study is to view the entire Canadian media in full perspective and I think it would be impossible to develop that perspective without the kind of discussion which we have had here this afternoon. Your brief, I can assure you, will be in a valuable place in our files; and in our ultimate deliberations. Thank you very much.

May I say to the Members of our Committee, our next meeting is this evening at eight o'clock in this room. We have four people appearing with a brief on behalf of the Association of the English media Journalists of Quebec, and that is at eight o'clock.

Thank you.

The Committee adjourned at 4:15 p.m. until 8:00 p.m.

Upon resuming at 8.30 p.m.

The Chairman: This evening we are receiving a brief from the Association of English-Media Journalists of Quebec. Sitting on my immediate right is the president of the organization, Mr. David Waters who, as well as being the president of this group is also associate editor of the Montreal Star. At his right is Mr. Dick MacDonald who is a reporter with the Montreal Star. On my immediate left is Miss Joan Fraser who is a reporter with the Financial Times and on her left is Mr. Rod Blaker who is director of public affairs at radio station CJAD in Montreal.

Now, as honourable senators will appreciate, we have received the brief from this group just this evening and I had a word with the president and he proposes, and I am sure we would agree, that he might perhaps take the time now and read the brief and we will read along with him. It is not a long brief and I think that is probably a pretty good idea. If you wish to add any additional comment as you go through or wish to explain or expand I am sure that is fine.

Following the reading of the brief you and the group will be available for questioning based on the brief and indeed based on other things.

I think I should make it clear that these people come as a group and some of their answers will be made as a group, but it is possible too, that some of the answers they will be making as individuals and so I will ask that when you are answering questions would you perhaps indicate whether it is a group attitude or whether in fact you are speaking for yourself.

Mr. David Waters (President, Association of English-Media Journalists of Quebec): Thank you, Senator Davey.

Honourable senators, the Association of English-Media Journalists of Quebec is pleased to appear before your committee to submit not only its recommendations but even more, its concerns, for your scrutiny.

The Association was formed only in April of this year. Elected directors were: President, David Waters, Associate Editor, the Montreal Star; secretary-treasurer—Joan Fraser, reporter, the Financial Times of Canada; Rod Blaker—Director of Public Affairs, CJAD; Bill Coulthard—reporter, The

Canadian Press; George Cree—chief photographer, the Gazette; Evelyn Dumas—Associate Editor, The Montreal Star; Donald Foley—City Editor, the Montreal Star; Dick MacDonald—reporter, the Montreal Star; and Sean McGoldrick—Editor in Charge, Canadian Broadcasting Corporation.

The initial impetus for our formation was the emergence of a federation of bodies representing the French journalists in Quebec. The federation sought our participation and our participation had to be as a group and not as individuals. For a number of reasons, including a financial one, we have not yet joined the federation but we hope to be able to work out some kind of link with it in the near future.

I might at this time point out that certainly in Quebec there was heretofore no organized body of English media journalists. The French have been organized for some time in various groups and various unions of one sort or another but English journalists were never so organized in any way at all.

The Association now has 65 members. They include substantial representation from Montreal's two English dailies, from Montreal's radio stations, and from a number of wire services and weeklies in and around Montreal. We have only a few members from the television outlets in the city. The English-media journalists in Quebec are not a large number, and we believe that when our membership passes the 100 mark we will be substantially representative of the entire profession.

The plans and purposes of the Association are varied. We hope it will become a central body from which information about the profession can be given to members, that it will offer a forum for settling issues affecting journalism—and I just might point out here that the constitution limits us considerably. When we mean settling issues, we mean having a dialogue about them and attempting to reach a kind of intellectual consensus, but in the constitution—the journalists who joined and formed this institution were quite strong on this point, that they didn't want any kind of a body, like a Bar Association, or a Medical Association which would have any restrictive powers over them, or any power to censor individuals.

When we spoke on issues, we were to speak theoretically about the broader implications of the issues but not individually.

If necessary, it will pass information to the general public regarding the position of the profession on certain issues.

The Association would strive to provide proper representation of the members should a Press Council be created and it would, as in the case at hand, appear on behalf of the membership before a commission whose subject matter or conclusions could affect the profession.

We envisage the Association functioning as a clearing house for data related to journalism scholastic courses, a system of grants or bursaries for special study projects and the like. This, of course, would entail maintaining contact with universities or other educational institutions whose curricula might be of interest to the members.

The matter of protecting the professional rights of a member—as in a situation where there is legal or other pressure to break confidence regarding news sources—naturally would be a vital concern of the Association.

So far the effort of the Association executive has been largely devoted to the difficult problem of recruitment. But, we have begun to investigate the ethical issues facing journalists, and in this regard we sponsored in November a wide-ranging one day seminar on Ethics in the Profession.

The Association expects to be preoccupied for some time with the twin concerns of ethics and education. There has been far too little discussion of the former; and far too little availability of the latter. Journalists know that they must increasingly be better informed. What they learn on the job needs to be supplemented by more time spent studying. Opportunities for this are presently inadequate. The need for financial assistance and for more cooperation between journalism and the universities is obvious to us.

We would like to emphasize before proceeding to the substance of our brief that the Association has been in existence for only 6 months. We are a new phenomenon in English-language journalism in Quebec. The Association is the first formal structure through which Quebec English-language journalists in the various media can discuss and express matters of professional concern amongst themselves, with the public, or with other levels of management. Hence we have a very limited amount of organized knowledge about ourselves and our concerns, and we have had very little opportunity so far to discuss them among ourselves, with other

groups or with management. That kind of dialogue is only beginning, and we would like to note here that higher management in the various media have expressed a cooperative interest in both the aims and the existence of the Association.

The Association's brief is divided into three main parts: 1) The answers some of our members made to a questionnaire which was sent them based upon the guidelines which your staff forwarded to us. 2) The summary of dialogues we held with some of our members on what were the primary concerns we faced as a profession. 3) The recommendations the Association wanted to make.

Of our 65 members, 23 completed a questionnaire which was sent to them based upon your committee's guidelines. The completed questionnaires came from a reasonable cross-section of the membership by age, rank and position.

The Association would like to point out that in regard to the questionnaires many of the respondents expressed their hostility towards the nature of the questions. Quite a few said that a great many of them were irrelevant. Many suggested that the concerns implicit in the questions, and the way those questions were focused, did not represent or elicit the real problems that were bothering them.

Nineteen of the twenty-three defined freedom of the press as the right of journalists to report news and information without interference from any source, or conversely as the right of the public to be informed about any and all matters affecting them. It is interesting that only one person mentioned in this connection the freedom to operate as a business to make a profit.

The respondents unanimously agreed that the primary functions of the mass media are to inform and interpret. Twelve said that another important function was to lead public opinion.

Eleven added to the list of functions those of elevating public taste and promoting causes, but some said that these should be restricted to the editorial and opposite editorial pages.

There was a consensus in the answer that the principal responsibilities are to report honestly, fairly and accurately; to understand the subject and admit one's own limitations; and to avoid irresponsibility, latent bias and corruption.

Twenty of the twenty-three believe that the freedom of the press is threatened in some way. Nine of these said that by its very nature the press will always be threatened. Six believe that financial interests present a serious threat to the integrity of journalism. Many said that the growing complexity of information made distortion of the news through manipulation by such groups as politicians and public relations people much easier than heretofore.

Internal and external commercial pressures were frequently mentioned.

In fact, two thirds of the respondents believe that the news is to some extent affected by commercial interests. Most felt that these influences were for the most part no longer direct or overt, but rather subtle and indirect pressures to which journalists may be subject and against which few had adequate time or ability to fully protect themselves. Eight respondents said such pressures are constant.

Some journalists expressed the fear that such pressures were indirectly moulding both the personalities of journalists and the way they write to the definite detriment of an honest press.

Half the people who completed the questionnaire said they do not believe the press is adequately protected, although there was no consensus about how best to protect it. Two people pointed out that existing laws deal with the possible abuse of the freedom of the press and not with its protection.

Eighteen respondents said that apart from cases involving national security or something of equal gravity, journalists should have the legal right to withhold the names of their sources. Those who do not wish this privilege argued that a journalist should not be entitled to any rights not shared by the average citizen.

Most respondents had few objections to multiple ownership and similar investment patterns. Only three people said that communications-based companies should not be allowed to invest in more than one medium, and only seven suggested that such investment be limited in scope or regulated to prevent interference with editorial policy. Only three people felt that companies with interests outside communications should not be allowed to invest in the mass media.

However, half of those who approved said that in such cases owners should be regulated so that no monopoly is created and that

editorial freedom is preserved. Everyone who answered the questionnaire felt that newspapers should have to publish information about owners.

The replies were divided on the advantages and disadvantages of the growing concentration of ownership. Ten people said that a larger organization is stronger, can fight outside pressures better, and can pool scarce resources to provide better news coverage. But twelve people also pointed out that concentration of ownership can lead to the stifling of opinion or to the standardization of news and that such concentration would increase the pressure towards conformity.

Fifteen people said they approved of investigating the possibility of a press council, although many said it would have to be carefully studied before being established. People who opposed the idea usually cited the British experience as evidence against one being set up here. Three said they were undecided.

Most respondents felt they were not qualified to answer the questions on the credibility of the various media, or on whether an "establishment" controlled the Canadian mass media. Some objected to the very term "establishment" as too vague.

The realities of their work elicited substantial answers from most respondents. Poor working conditions were a sore point with fifteen of them. They used such expressions as "messy", "depressing", "chaotic", "archaic", "a factory environment", "lacks certain basic amenities such as decent heating", "physical conditions are abominable", "poor organization", "we need researchers and better libraries." Yet one-third said that they were either good or at least adequate.

A number of respondents were worried about the working reporters' difficulty in communicating with middle management, especially with the editors and desk men who handle their copy. Nine of the respondents said that it is the men at this level in the media who have the greatest power to determine what news and information actually reaches the public.

Only four people felt that salaries were generally good enough to keep the best journalists working in the field. Of the fifteen who said there are not enough good recruits, half said this was directly attributable to the industry's low salary rates.

Nearly all the respondents were strongly in favour of widely increased opportunities for education and further training, not so much

in professional skills as in interdisciplinary work or in academic subjects related to the journalist field of interest. Seventeen of the twenty-three people said that they would like to see greater co-operation between the media and the universities; sixteen strongly recommended that continuing or further education be made available. For the most part these people mentioned sabbaticals, seminars and academic courses as potentially valuable.

Most respondents felt that the media's recruitment policies left much to be desired. They said that hiring practises were very haphazard. One person suggested recruiting drives in universities similar to those conducted by other industries.

If a major tonal characteristic emerges from these questionnaires it is the strong strain of self-criticism they expressed. Not one person said he believed all the media are doing their job adequately at all times, although 10 said this does sometimes occur. There was a strong emphasis throughout on the need and the desire to improve the media.

Because so many respondents to the questionnaire expressed the belief that the questions did not elicit their real concerns, the Association decided to hold several meetings with its members to probe this feeling. As usual, the more actively interested members attended. They were asked to forget the questionnaire which was sent to them, or the Senate committee's guidelines upon which it was based, and express what they wanted the Association to tell the committee.

In the next few pages we will attempt to convey the substance of those meetings. I might point out here that those meetings were very rambling and quite undisciplined. We taped most of the sessions and we studied what was brought up and the supporting evidences that people brought and what we are proceeding to now is a digest of what these people who attended the meeting said.

One of their major concerns was about the problem of the relevancy of today's journalism and what could be done to improve it. They were disturbed at the fact that in their view the public had lost faith in today's reporting of what was happening. An article in *Fortune Magazine* (October, 1969) was cited as an apt analysis of what was probably wrong with journalism and where it should be going. The article argues that most media today have an anachronistic view of what news is. It claims that the media are so caught up in "the story, the dramatic, disruptive, exceptional event" that they are failing

to report properly the changes which will have a profound influence on our society in the future.

In the view of those at the meetings, journalism was too contingent on the big scoop and all the bang bang, razzle-dazzle that goes with it. The media, they felt, devote too great a proportion of their coverage to riots, fires, routine court cases, Grey Cup games and politicians' speeches.

Good journalism should probably be much more concerned, they felt, with the shifting emphasis taking place in our society, with the effects of the computer, the developments in genetics, the stresses and strains of our society floundering before the sudden explosion of knowledge.

The Fortune Magazine article summed up the problem this way:

"When news fails to add up to the permutations of change, the best informed men lack confidence that they know what is going on. Many of those who most confidently assert that they know, don't. Radicals and reactionaries both tend to ignore actual change and to derive their passionately-held views from a simple and more static society that isn't here. The noisiest debates tend to be irrelevant because their informational backgrounds are fragmentary and out of date. Even the most powerful nation—with the highest production of knowledge—thus becomes pervaded by a sense of its own ignorance and helplessness because it feels, correctly, that it has no adequate view of its own direction. Lack of confidence in the quality of the news could be fatal in our kind of society."

But if they felt the quality and relevancy of the news is one of the most critical problems the media are facing, those who attended the meetings voiced uncertainty about how that problem can best be faced, and their disgivings that the media have the structures and the resources to cope with it.

There is first of all the problem of coping with the vastness and the complexity of the information which must be assimilated, understood and reported on. Journalists, they believed, were aware that the volume is already far greater than they can presently handle. There is an obvious need for such things as computerized data banks to absorb the mass of material and organize it so that it can be useful to the media. But can specific

media outlets finance such things and if not, who will? Under whose control should they be?

Many of those at the meetings felt that the rapidity of change, the selectivity that the media must perform because of the volume of information, and the sensitivity to what society needed to know that this role imposed would force journalists to reassess the whole question of objective journalism which is still the operative assumption upon which the mass media are based. This, in a sense, was their second major area of concern—the respective roles of objective versus what has become, perhaps mistakenly, termed advocacy journalism.

Few journalists today would claim to report just "the facts." That may be possible in covering an event which is simple and relatively unimportant, like riots and Grey Cup games. But most of the areas a journalist is called on to report require that he exercise judgment about its significance. He is forced to digest complexity and zero in on its import. The public—certainly the intelligent public—knows that it is not getting complete objectivity. But it is forced to read between the lines to assess the judgment that is being exercised on its behalf. But how to re-focus the work of the media so that the public will be better able to grasp and assess the real task they are performing is an unresolved question.

Many outlets are experimenting with the suggestions made by David Deitch in an article which appeared recently in *The Nation*, and which was cited favourably by those at the meetings.

"One possible course for an adventurous management would be to experiment with a program that devotes a limited amount of space each day to the opinions of those reporters who have sufficient confidence in their ability. The space would be clearly identified as containing advocacy accounts by writers involved, and the content would be under the control of those producing them. It would be understood by all concerned that the judgments were those of the reporters, who had acquired the privilege of stating them by demonstrating good sense, knowledge and general competence."

But this kind of reporting still is clearly segregated from what is presented as objective news. Many of the journalists who came to the meetings which discussed this issue felt

that such distinctions were inherently false and dangerous to the media's credibility. The issue is a grave one. If more and more judgment is to be exercised by the mass media regardless of the guise under which it is presented, then two related problems assume much greater importance.

Those who make the judgments must be constantly better prepared and informed. There would be little point in worrying about the media at all, if the incompetence of those who form the basis of it were making a mockery of it to begin with. Hence, the great importance of such things as more time and money allocated to studying and gathering information.

And if more and better judgment is to be exercised at the base of the media pyramid, members at the meetings thought, then better structures to protect it and those who produce it from tampering by those who dislike the results may have to be found.

These members indicated that the category of those who might wish to influence their judgment extended over a wide range of possibilities—from outside commercial pressures to personal friendships (sometimes referred to within the profession as "cronyism").

These problems are only beginning to be examined and discussed in Canada. Some suggested that European countries appear to be far ahead of us in this field and gave examples: At France's influential *L'Express*, a new constitution is being designed to bring employees more closely into the decision-making process in order to provide them with power to protect themselves.

In West Germany, the editors of *Stern* have produced an editorial charter under which they now function. After a preamble which states that the editors are committed to democracy and to progressive and liberal principles, the charter declares that no editor or staff member can be compelled to write anything against his own conscience and his refusal may not be held against him. A seven man editorial board has been established which is elected annually by secret ballot. A new election can be called if 30 members of the editorial staff request it. All staff members are eligible to serve and everyone has a right to vote if he has been a member for more than half a year.

The charter goes on to specify that the Board must be consulted by the management on any change in ownership, and on the appointment of an editor in chief, who cannot

be dismissed if the board disapproves such action by a two-thirds majority. An editor in chief is empowered to make personnel decisions in the editorial department, but he cannot make changes in managing editors, department heads or political contributors without a two-thirds vote of approval by the board.

Italy as well as France and Germany is moving towards greater participation and greater protection of journalists.

Should that be the direction of change in Canada? What changes should be made in Canadian journalism? We know that the question must be posed, but in all honesty we are uncertain about how to answer it. The simple fact is that while self-criticism exists in the mass media in Canada, the kind of study which must precede formulation of the right answers about the future changes has not been done, and the kind of knowledge upon which both answers must be based has not been accumulated.

Canadian journalism is, we suspect, only at the beginning of the process of change. It is in this sense that we make the following few recommendations to your committee.

First, we urge that you structure your hearings into two distinct phases. The initial phase should be restricted to the gathering of information. Because of the paucity of knowledge about the Canadian mass media and the direction it should take, we would like an opportunity to study the information you uncover and return to report what recommendations we would like you to make, based upon it.

Only then should the second phase, that of deciding your ultimate recommendations, be undertaken.

Secondly, we urge that the Committee go out into the field to rap with journalists across Canada to gain a feeling for their world and their concerns. We believe this is especially important because your investigations should be centred on them. The media is not machinery but people. And journalists are the most essential people within it.

Thirdly, we urge that your Committee undertake some study of what is happening outside Canada, because it appears to us that the range of what is occurring here may be too narrow for a proper compilation of the data upon which to base recommendations about the future of the Canadian media.

Fourthly, we urge you to study not only the present condition of the mass media, but espe

cially what will be its needs in the coming decades, because we suspect that present resources to meet those needs may be inadequate and that government may have to play a substantial role if those resources are to be adequately increased.

We wish that we could make more specific recommendations to your Committee. But we are a new organization, and we are only beginning to confront our own professional concerns in any disciplined and organized fashion.

To do more than make the above general recommendations would be to practise the kind of irresponsibility that we have come into existence to work against.

We are confident that the work of your Committee will be of assistance to all of us in making our profession and our industry better serve the Canadian public.

In the appendix—well, perhaps I should read them. A number of people who came to the meeting wanted their own specific recommendation made known to you. We also took from the questionnaires that were presented what we felt were representative, specific recommendations. We have listed them here. They are not ones in which the Association was prepared to make any kind of a decision so we listed them for your perusal.

1: Newspapers should be operated by non-profit corporations. 2: Freedom of the Press should be spelled out completely in the Canadian constitution. 3: The media should provide inservice training for newcomers, continuing education for middle senior staff and professional development for senior staff. As well, definite policies should be set in regard to time off or leave of absence for upgrading education and qualifications, for it now is difficult to properly plan a career.

4: Clarification is needed of a newspaper's responsibility in matters of libel.

5: It would be advantageous to have a permanent "Davey Committee."

Senator Prowse: This may turn out to be just that.

Mr. Waters: 6: There should be assurances in law of protection for journalists who wish to guard their sources.

7: What is needed is a clear and realistic explanation of the job opportunities and what journalism entails as a career to those contemplating it—before they embark on university curricula.

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8: The possibility of an exchange program of journalists, to include Europe, South America and the Orient, should be explored.

9: Reservations must be expressed toward the excessive centralisation of governmental information services, which may limit the public's access to balanced, varied, multi-sided data.

10: Thought should be given to creating a national press council.

11: There should be serious consideration of accrediting journalists as professionals.

12: A study should be made of the question of police harassment of and interference with news media representatives reporting demonstrations, sit-ins and other events where the police come into direct physical contact with citizens. There is reason to believe that, in some cases, police abuse their legal powers by barring media representatives from certain public areas without legitimate cause.

Crown prosecutors in the Montreal area increasingly are requiring that news reporters and photographers testify and produce whatever documentary evidence they have gathered in connection with particular events. The adoption of this tactic as a regular practice poses almost as serious a threat to the freedom of the press as does direct censorship. If they are forced to turn prosecution witnesses through the use of the subpoena and the threat of a contempt of court citation on a regular basis, they will come to be regarded as little more than police spies and will be treated as such by demonstrators.

The Chairman: Thank you very much. Is there anything you wish to comment on specifically before we turn to the senators for questioning or is there anything that any of your colleagues would like to add before we go on? I think, we are probably ready for questions from the senators. I believe, Senator McElman, you are going to begin this evening.

Senator McElman: You speak of protection of sources. Does this extend in your opinion to cases like criminal courts or criminal actions?

Mr. Waters: My impression is that the majority of the journalists felt that it should extend upwards in a criminal or civil action to such things as involving national security. I would say I believe most of the members feel this is true that there should be protection in criminal cases, yes.

Senator McElman: You seem to make that conditional when you suggest that provision should be provided for in law for a journalist who wished to guard his sources. Is there to be a choice on the part of the news person?

Mr. Waters: Well, I think the assumption is that journalists who wanted that privilege could have it. Obviously those who wanted to testify could not be punished if they felt they should testify.

Senator McElman: Why should they have that privilege any more than an ordinary citizen?

Mr. Waters: Of protection?

Senator McElman: Yes.

Mr. Waters: I think the argument goes something like this. Unless they have it, journalists I think generally feel that to get information there is resistance. Nobody really wants, or very few people want, to give the kind of information journalists want from them to the press. So there is a fair amount of resistance that they have to work against. Anything that limits their ability to get it and gives the public reason to distrust them makes freedom of the press that much more difficult because they feel a responsibility to be able to get that information in order to be able to give it to the public.

There may be quite a few areas—well, demonstrations is one. We have demonstrations in Montreal and we send reporters out to it and they want to be able to report just what the demonstration is really like. Reporters are now coming back saying that they are being harassed, not only by authority but by demonstrators who, the minute they see he is a reporter, are afraid that their name is going to be taken or afraid of the photographer, so they smash their cameras and things of this sort. So it is becoming very difficult to report demonstrations and get in on it enough to be able to see what is going on and to report it accurately.

Mr. Dick MacDonald (Reporter, the Montreal Star): I think it goes a little beyond that. I think it goes beyond that—certainly into the political stream of reporting to choose any given story which might be sensitive—particularly to politicians speaking to the journalists. If the journalist believes that the information he is receiving is valid enough that the politician or the civil servant or whatever prefers to keep it confidential, then the journalist exercises his judgment. A vague case in point.

The province of New Brunswick—if I were doing a story on the dam development on the St. John River and a number of people were quite concerned about either the feasibility of the dam project itself and then as the project developed and people became concerned about the possibility of pollution and the whole aspect of it, they perhaps would not give me the information I would need to do my job adequately unless they were assured that their names were going to be held in confidence. I do the story and then if I am called into court or before a legislative committee in Fredericton, then I think I should have the privilege or the right because of that information which I choose to think or my medium chooses to think is important to the people of New Brunswick—I think I should be able to protect those sources.

Senator McElman: You are missing the point. I refer to criminal court cases. It would be unlikely through the circumstances you cite that you would end up in a criminal court. These are the normal protection of sources that go with any profession.

Mr. Dick MacDonald: It is all a matter of protection of sources though.

Senator McElman: No. We are talking about criminal actions or public interest stories where the total public interest is involved.

Mr. Waters: Well, what do you do in a case—the problem in a criminal case of course is you are forced to make a decision about revealing your evidence before the person is convicted. Till then he is still innocent and this is where the critical problem comes in. We have had cases in Montreal where say Michel Chartrand was arrested for sedition and the case was thrown out of court. At what point do you decide that this charge of sedition against him is so serious that you are forced to reveal something and then if you reveal it then the case is dropped against him or thrown out of court—so, it is very difficult I think in a criminal case to make a decision until the verdict is rendered.

Senator McElman: Again, you miss my point. You say at what point do you decide. That is not the point at all. It is at what point does the court decide—that is the people.

Mr. Waters: That is right.

Senator McElman: Let me suggest to you that yours is not the central core of our society. I suggest to you that our political system

is, and the politician who is representative of and answerable to the people—more directly—much more directly than you are. He has no such protection as you suggest that your operation should have. Where do you draw the line?

Mr. Waters: Well, you know if politicians want to decide to pass that protection for themselves—we are simply recommending to politicians that they recognize that freedom of the Press now has a role in society important enough that they pass the legislation protecting us. This is obviously what most of the members felt. They are not taking the decision in their own hands. There are some that do go to jail for it but these are quite few. In general when they are forced to testify they do testify. They do it under a compulsion which bothers them and they do not like it. They are asking that this area be given serious consideration by politicians and perhaps if they were politicians they would have combined and suggested that the politicians pass it for themselves as well. I don't know.

The Chairman: On this point, Senator Prowse?

Senator Prowse: Yes, Mr. Chairman, very much on this point.

As you are aware the only time a politician has a privilege is when he is actually in the House and the Committee and it is very seldom that there have been complaints that has been abused there but that is the only place you have it. The result is that from time to time people will come to us and give us information and say, "Now you can use this" and then you have to make a pretty serious decision as to whether you are being misled or not. Now, if you had this protection I think you would find that you would be constantly embarrassed by people who are trying to use your protection for their own purposes. So a situation could easily arise where somebody comes along and gives this to you what he has said—he says, "don't use my name." Now you are bound by the lawyer is bound and then because it looks like a good story, it looks sound, and sounds reasonable, you go ahead and print it. You may be doing a great disservice to somebody. Now, there is one balance. The second thing is that a number of very sensitive professions have operated under British law—and I do not say that in any racist sense—but under the system of our law without any protection at all. For example, there is no protection at the common law in

England or in Canada—although it has been granted in Ireland by the Irish courts—but not in England or Canada is there any protection for a priest or a minister even concerning what happens in the confessional. None of them would think of breaking the confidence. They have that protection today because nobody is going to call them as a witness because they know that they are not going to answer. This is something they have earned by their own adherence to their principles and not by asking somebody to give it to them. The medical profession, including psychiatrists, have no protection except for the fact—there are some American decisions—there are no Canadian decisions—except for the fact they have consistently refused to give the information so everybody knows there is no sense calling them as a witness.

Now, this system has worked reasonably well and it does not stop people from making confessions to the priest...

The Chairman: Well, Senator Prowse this comes dangerously close, I think to making a speech.

Senator Prowse: Well, the question is have you given consideration to all of the different aspects. Don't you think that perhaps the way to get your protection is to what the heck is seven days in jail for a journalist except an opportunity for the journalist to write a story about the jail?

Mr. Blaker: Senator Prowse, I think it is the opinion of the membership of the Association at large, that since we operate partly in the function of public interest, anything which might assist the journalist in delivering to the public as much information as possible, should be considered as an added advantage not to the journalist but to the public. As you pointed out with the medical profession, perhaps a similar thing has not been placed in the body of the law nor has it been with the lawyers with the privileges imbedded in the law. The thinking I believe amongst journalists is that if this privilege were extended to them they would be better able to serve not their interest but the interest of the public.

Senator Prowse: I am sure of that but I merely brought up the point I did because I think you are concerned about the present problems and that you fail to take the overall picture. And may I say this to you: I earned my living for eight years as a newspaperman and before I came to the Senate I had 14

years in the legislature of Alberta so I know something about the responsibility of being given information and having to protect the sources.

The Chairman: Well, I think if there are no further comments on this we can go back to—Senator McElman.

Senator McElman: Well, I take it then that the inference is you would suggest that you live within the law as it exists but you would like to see the law amended?

Mr. Waters: Well, I would like to see a professional who went to jail and earned his respect through his own strength of character. I don't think it is there right now in journalism. I don't think it is there to a sufficient extent. This is my own feeling and quite a few members have expressed this kind of attitude. Certainly in terms of our members I think the majority of them feel that they would like to have protection in law.

Senator McElman: I know that you appear to favour as a majority, a press council. But considering the geographic aspect of our nation and its diversity, would you also favour regional or provincial segments of it and a local segment and what would you suggest the make-up might be?

Miss Joan Fraser (Reporter, Financial Times of Canada): If I might just answer that question. I tabulated the answers to the questionnaires and what most people said is that we should study the idea of a press council for just these reasons. They didn't have the answers to those questions.

Senator McElman: There were no answers at all?

Miss Fraser: Not really. I think one person said we should have provincial press council and one or two people said we should have a national press council. They didn't really know enough about it and they wanted people to do—you people, senators—to study it. They weren't prepared to say flatly one way or the other.

Senator McElman: Paragraph 3 of your brief—you say that the federation sought your participation and it had to be as a group and not as individuals. Would you care to broaden on that?

Mr. Waters: Yes. The French journalists in the province have organized into unions and different types of associations so when they

decided to try and form a federation for all they simply decided to form a federation of groups rather than of individuals. When they thought about us and wondered how we could join them there was no group to whom they could appeal beyond the Press Club, which had certain disadvantages because it was restricted only to men, for example. So they asked us if we would consider forming a group. It was really their request that started the formation of this association.

Senator McElman: You now have your group and you go on to say that for a number of reasons, including a financial one . . . What would be the other reasons?

Mr. Waters: Some reservations—we were mandated by the founding group to investigate joining the federation. We found two things right at the beginning; one was that we had a very difficult time building up membership. There was a resistance within the profession to join an association at all. Secondly, just the limited membership fee that we charged seemed to be a major obstacle and as soon as we began discussing and having talks with the federation, we began to realize that there might be merit to our staying as a group separate from them. We wanted to participate in all these deliberations but things like the problem of education for journalists in the province—this was something that we could probably best handle if we remained as an organization rather than just being consumed into the federation.

The financial one was that they were quite ambitious. They wanted a permanent secretariat in Quebec city and it was going to mean probably a charge of \$40 per member—per individual member and we didn't think the English journalists had enough interest in the whole idea—neither the association or the federation—to pay that kind of money. The French journalists have a check-off system and we haven't yet approached publishers and asked if we could have a check-off system for our members. If we wanted to increase the membership it would be obviously much easier to persuade somebody to spend 80¢ a week than it is to sign a cheque for \$40. We did meet with them and Joan went up on our behalf to Quebec City but they were considering their brief to the national assembly committee and we had certain reservations about that. They seemed to want some kind of a regulating body with very strong powers. The instincts I think of most English journalists was to perhaps want

some kind of a press council or some kind of body but with largely moral persuasion power, power to investigate, and power to examine and to expose but not necessarily by power to regulate or interfere.

So there are certain distinctions of that kind that gave us some pause; we thought we wanted to get our membership up large enough to have a full meeting which would fully explore these areas before we decided to join.

Senator McElman: Within the context of unrest in the province of Quebec, and indeed within the nation, do you see any particular dangers to the freedom of the press, as you understand it, posed by government legislation at any level or from any other sources anything that is particular to your group that is not to the rest of the media in the rest of the nation?

Mr. Waters: I would say so. I would say most members feel this. They feel increasingly because of the influence of the mass media people rely to a greater degree—that as a profession we are going to become possibly more respected but also more hated. The feelings are going to be stronger, and the attempts to interfere are going to become more organized, more pronounced; and in this sort of thing there are a lot of people amongst the general public who probably feel that there are things we should not give too much exposure to because of the effects that they have. I am sure that there are quite a few people in government as in any other area who feel that this is to the detriment of a good society. Therefore, we would have to be somehow—probably not controlled—but certainly indirectly controlled. I think most of the journalists—at least in the Association—would feel that is a very serious threat.

Senator McElman: Within your respective organizations, do you feel any pressure from the top managerial level as to what you should or should not report upon in particular?

Mr. Waters: That problem is a very very difficult one to answer. It is difficult to answer for the reason that journalism is structured in today's society and the communications between various levels is possibly not the best thing in the world. Certainly the feeling that I get from the younger members in the profession who turned up at our meeting is that they are uneasy about the role they feel that higher management is playing. I don't think

there is any consensus about this sort of thing, but higher management plays a role and there is not great communication or explanation between the various levels so they are uneasy about this. So those that turned out to the meeting expressed that kind of consensus.

Senator McElman: The National Assembly has been holding an inquiry of sorts into the freedom of the press. Did you present a brief there as a group?

Mr. Waters: No. We participated. It was quite early in our formation and we accepted the invitation of the French journalists to participate in their deliberations so that our contribution was largely through their brief. Joan was up there and I believe we did influence their brief in some way.

Miss Fraser: We did and I think it was partly because of the fact that we did not decide to submit our own brief. We disagreed with the recommendations for a Conseil de la Presse of some sort but there were a great many other things in the brief that we did approve of. We agreed largely with their observation on the freedom of the press. We liked the fact that they said that if you were worried about the ownership, you might try the Combines Investigation Act before you go off in all directions. Several other points that we made at that meeting were incorporated in their brief so that the need did not seem to be very great.

Senator McElman: In the face of the emerging Desmarais Chain in the province of Quebec, as I understand it—please correct me if I am wrong—there has been a good bit of representation from chains and multi-media ownership that such per se are not necessarily a bad thing. Some are almost at the point of recommendation that they are almost a good thing. Did your group subscribe to that, did you have a different view?

Mr. Waters: I think that the French journalists are dead set against it.

Miss Fraser: They were very alarmed about this trend and our position basically was...

Senator McElman: Excuse me, I wasn't only referring to them.

Miss Fraser: Well, in the Quebec case of the Desmarais group we agreed that there was cause for alarm—not that that was a malicious group necessarily, but that it was the kind of situation which could develop into something

rather dangerous. Elsewhere our members seem to feel that they have no objection to this sort of ownership as long as it is not abused. They felt that somebody should be able to hold sort of a watching brief to see that it is not abused.

The Chairman: Who would that be?

Miss Fraser: They have not specified. I would hazard a guess, somebody like a national press council.

Mr. Waters: On the one hand somebody like a national press council and obviously for some of the younger journalists, something like they are doing at Stern where they have the ability to be their own watch dogs.

Senator McElman: Page 4, section 18 on the threat to freedom. You say that two-thirds of the respondents believe that the news to some extent is affected by commercial interest. Could you give any examples of that? I don't mean name names but could you be more specific?

Senator Prowse: Do not reveal your sources.

Mr. Waters: Perhaps I could expand on the philosophical aspect of that. I think the assumption is that our society is structured economically and these are hence most people's serious concern. Two things come into that. I suppose that one is that the higher one gets in society, whether it is within the media or elsewhere, the more one is sensitive to that area and the more one feels that price decisions will affect the economic considerations and commercial considerations. I suspect that most reporters and journalists, because they are at the bottom of not only the media pyramid but the bottom of the economic pyramid, do not share those feelings at all. There are probably cases where they feel that their judgment is not being respected and that the public interest is closer allied to their judgment than to the judgment that all other people are making in society.

Senator McElman: This would incline then towards the view that the principal interest of top management is more economic. Would you not suggest that this in itself, if there is validity in it, would make ultra-dangerous the protection in the law of sources?

Mr. Waters: I am not sure that I understand the implication you are suggesting there.

Senator McElman: Well, I am suggesting very simply that commercial interests can affect what appears in the newspapers. Those who are involved in the publishing of newspapers as well as reporting have a special protection or privilege that is not accorded to any other element of our society and their interests are principally commercial. I repeat, with those pressures you suggest are apparently in evidence, since they would not have been mentioned, those pressures could extend to protection of sources which are not in the public interest or in the interest of society, which we enjoy. In other words I am saying you have it two ways.

Mr. Waters: Well, I think that most of those who expressed a desire for protection were thinking of protection at their level. They would probably feel very definitely that protection should be given them because the majority of society probably would not feel and it would be in conflict with the decision of an awful lot of people...

Senator McElman: Where do you stop the protection. It is with the reporter?

Miss Fraser: May I add something to that? I have a feeling that given the situation that you just outlined, perhaps professional secrecy could work the other way. Take the case where you have a company which has a steady large advertising budget with a given daily newspaper and there is something that some reporter finds out which that company would rather have not known. I think perhaps the paper might go ahead and publish it more readily if it knew in law it was protected. I might be less apt to lose the advertising from the company if the company knew that everybody was apt to come under this sort of a situation. I am not sure but I have a feeling that this could work both ways. It would balance out.

Senator Hays: How long would the reporter last in his job?

Miss Fraser: I suspect that if the publisher knew that he was protected he would have his job for some time. The people who said that they felt commercial interests affect the presentation of the news did not say that they felt publishers are just money makers. It was more a helpless "Oh gosh, there it is." This sort of thing. The paper has to make money, to keep printing, therefore one way or the other on some newspapers at any rate you are going to be conscious of this problem.

The Chairman: We talked earlier as to whether you were a group or individuals; may I ask you four people as individuals whether you think the news is to some extent affected by commercial interests? I put that question to each one of you.

Miss Joan Fraser: In some cases, yes. More on some papers than on others. I don't know enough about radio and television to be able to judge.

Mr. Blaker: I think I would have to say the same thing as Miss Fraser. I think there are definitely instances. We have had several indications of them in private conversations amongst our members where amongst those in radio and television there are instances where commercial interests have definitely affected the distribution of news. Whether those are exceptional or whether they conform to an average I couldn't say.

The Chairman: Mr. MacDonald?

Mr. MacDonald: Yes, I think I would certainly have to agree. In the experience I have had, I think more often pressures from commercial interests have been applied by implication rather than directly and this stems certainly from what Mr. Waters has said about the economic hierarchy and economic structure of the media.

Mr. Waters: Yes, I do, and I resent it very strongly.

Mr. Blaker: Senators, if I might add a point. The expression commercial pressures can be taken in a second sense. There is the commercial pressure for example of an advertiser who applies whatever pressure he is able to apply to a particular medium. Usually, it is at the management level in order to make changes as he would like to see them and in some cases he does appear to be successful. There is a second kind of commercial pressure which applies particularly to the journalists themselves in which I think there is an element both of commercial pressures and of the freedom of the press which you were referring to earlier. That is a sort of tenuous, inexact, uncertain form of understanding that goes with the journalist in his years throughout the media that there are certain subjects which perhaps are better left alone, not particularly because they might result in the immediate firing but because they result in the necessity as it was put earlier of wearing a furrow in the carpet to the manager's office. You do not get paid for doing that. You have

a job to do and it is not a particularly satisfying experience to be going back and forth and answering all sorts of questions. Again, there is a type of commercial pressure which results in the individual wanting to get ahead and of course in many substantial organizations of any decent size vertical movement does to some degree depend on playing the game. I am perhaps bringing out the commercial pressures brought not only from outside but also from inside.

Senator Everett: Unless you have some sort of a specific case to refer to it seems to me that the general charge that is being made may not be a very valid one. I just wonder if there are specific cases?

Mr. Blaker: I think, Senator, we have taken an agreement amongst ourselves for the consideration of those members who were so courteous as to answer the questions. Unless any of the other individuals here wish to answer with their own experience—but we have undertaken to leave their questionnaires and any subsequent discussion on this matter as being confidential.

Miss Fraser: I can give you one example.

Senator Everett: I would like that.

Miss Fraser: This is from my own experience but a slightly different thing. This was not, incidentally, on my present paper. It involved cases where an advertiser prevented a story from appearing but in one particular case I was sent out to do a story about a small and really by any standard an unimportant company. There was not that much space in the paper that day but that particular little company took up a quarter of a page because it had just signed an agreement to run ads for six months or something like that. That is biased news, because something else that was more important could probably have gone in that space. I feel that we were giving that company important publicity.

Mr. Waters: If I may sort of elaborate on a point here.

Senator Everett: Did it involve any particular area like travel where the papers generally do get space or are you talking about general news?

Miss Fraser: I was talking about general news.

Senator Everett: It was not a feature page?

Miss Fraser: Well, the rumour has it for what it is worth that the travel pages and the women's pages are the areas which are most vulnerable.

Senator Everett: Well, I think that is probably true.

The Chairman: But this was a news story?

Miss Fraser: Yes, this was a news story. It was a news story and was presented as such with a photograph and the whole bit.

Senator Smith: Mr. Chairman, on this very point I would like to have someone talk a little bit about whether or not this kind of pressure that we all have in our mind is of rather a subtle nature. It is there and we all know it is there, under certain circumstances; I was told that by someone in your profession who was following one of our meetings and said, don't let these publishers tell you that there is no commercial pressure, there is, and he described it in subtle language. He said, "You know what the publisher's view on things are and you know what he wants you to do. It is there." And he said most of us have to yield because we are commercially oriented ourselves, we want our jobs, we want to move, just to follow this point, vertical movement. They are interested in vertical movement as well and it is there just as plain as the nose on your face. Now, is it subtle or does it extend further?

The Chairman: Who would like to answer that? Mr. Waters?

Mr. MacDonald: Well, I would like to make a comment on that, and I am not speaking again of my present employer the Montreal Star. This goes back two or three years and it happens today in fact, I know it does. As Mr. Blaker was saying it is a kind of pressure which comes with understanding the situation; you become familiar with people with a vested interest in their particular community. I think more often than not it may be the middle management doing things which creates this kind of pressure because I found with this particular paper I worked for a couple of years ago that the middle management was pre-judging what the publisher might want or pre-supposing what might affect the newspaper. One specific example, and it was possibly one of the first instances where I began to get involved in what we might call today interpretive news. I suggested to the managing editor that I do a two or three part series on housing in our city and

he said fine. I spent a couple of weeks gathering data, and going to tenants and residents as well as city authorities, and I produced what I thought was a fairly valid and critical two or three part series. By the time it appeared after two or three discussions with the managing editor it had been toned down considerably. In fact, it was a bland piece of news. It was a bland piece of writing because it was sensitive, because it might have been offending potential or existing advertisers or as the old saying goes, I was just rocking the boat in that particular community. It was a city of 60,000.

Senator McElman: Mr. Chairman, we are all familiar with this type of pressure and it does not apply only to the news-gathering business. It applies to any type of commercial operation. There is nothing new or different about that kind of thing any longer. It is at is—there is a reference here to pressures affected by commercial interest and what I wanted to find out, is there any broad-axe type of thing going on today that we all know did take place in the past years?

Mr. Waters: No, this is becoming much less and I don't think journalists are worried about that kind of thing any longer. It is much more an indirect thing now, where certain things will get a microscopic examination before they appear in the paper. Conditions are imposed in certain kinds of areas which make it very difficult. A journalist with very inadequate resources, for example, working in a judgment area there are a lot more grounds for looking very carefully into something where commercial interests are involved, whereas if you are writing on pollution in Latin America you know, it is carte blanche. It is a reasonable sensitivity and I don't think that many of us feel that the motive of the higher management is questionable there. They are responding to an awareness of society around them and an awareness of how that society is structured and they have to simply be more sure of themselves and more sensitive in certain areas.

Mr. Macdonald: I think you will find it applies in larger cities.

Senator McElman: In other words, if these things happen to be your biggest account—if Eaton's happen to be your biggest account and something happens in Eaton's store, the editor does not say to the newsmen, "Now, take it easy here." The newsman's mind says to him—take it easy—is that correct?

Mr. Waters: We say it is moulding the personality of journalists and it may be—this is something we do not know, and this is why so much information is needed. Are the journalists at the bottom of this media pyramid moulding themselves out of some misconceptions? To what extent is it valid, to what extent are they sensitive or aware of their own profession; these are very difficult things for us to decide and we have never really discussed them except in bars or else in the Press Club. It is based mostly on rumours and exchange of anecdotes. This is the situation.

The Chairman: I believe Mr. Blaker wanted to add something at this point.

Mr. Blaker: If I might in reply to Senator McElman's question. I was left with the impression, sir, that you indicated that direct commercial pressure exists more in the mind of the journalist than it does in actual fact. I hope that wasn't the impression that we have left with you. It exists as a fact. An outright, an overt fact which has become learned by journalists in the profession over a period of time. Simply because the average journalist does not go up four days a week fighting his managing editor, or as the case might be my own station manager, does not mean that recognition has been derived out of nowhere. It is derived from the known fact amongst the working profession that this pressure can exist.

Senator McElman: Well, does this have a very real effect on the day to day operations of the journalist?

Mr. Blaker: I submit a personal opinion only and I would say that in many cases it does.

Senator McElman: What corrective action would you suggest to overcome it?

Mr. Blaker: Well, the only one I have ever been able to think of, and we have had some discussion on this and again I would like to hear the other members of our executive comment on this, I don't want to be left alone away out in the field—the only type of corrective action I have ever thought of would be the growing realization on the part of the employers, as is done with the case of teachers for example, a certain degree of security is granted to those engaged and those hired. They are put on a trial period for two weeks or two months or six months or whatever it is, then put on an annual contract with a sufficient notice period. A man who can be

dropped on two weeks' notice or one month's notice and who is married with three children tends to think a little bit unless he is one of the fortunate few.

Senator Prowse: Particularly when he is being paid at a level where he is waiting for pay day?

Mr. Blaker: Certainly.

Senator McElman: Would a system of shareholding and involvement over a period of time work towards a solution, do you think?

Mr. Blaker: Well, I would almost say or tend to say that it would aggravate the problem. I think certainly in some cases. I think there would be necessarily an interest in the success of the operation of the particular medium. I do really seriously believe that most people would not permit that to interfere with their reporting. I doubt if it would help in any matter.

Senator McElman: The reason I ask is because you mentioned the rather prominent Paris publication which moves in this direction. You do not advocate that?

Mr. Blaker: That structure is indicative of employee participation in a decision-making process. I am not sure it should be in the financial process as well.

Mr. Waters: I think that I would like to point out here that you are probably getting more and more of the four of us up here and I would like to point out that we feel a problem here because I don't think there is a consensus amongst our journalists in Montreal on this score at all. Certainly the younger journalists show a great sympathy for the changes which are taking place say at Stern or l'Express, but we in our recruitment have found that an awful lot of people say to us "We know what is going to happen, you are going to create a monster and there may be problems with the existing system but what you are doing is going to make it worse."

There are a lot of reservations that the cure may be worse than the illness. Certainly the younger, I think the younger and I don't only mean that in terms of years, but younger in terms of interest in change, favour seriously the investigation of these kinds of possibilities that are taking place in Europe as probably the way they would most like to—the area they would most like to see investigated first before others are tried but there isn't a con-

sensus. This is why we have been quite careful in our brief because we want to represent a consensus and we want to work with a consensus in Montreal so we don't want your committee to misjudge that thing. I think ours would represent a pretty progressive view in terms of the consensus.

Senator McElman: I would have two other questions at this time but I believe Senator Everett has a question.

The Chairman: I believe Senator Smith has a supplementary question.

Senator Smith: No.

The Chairman: Well, then, Senator McElman would you finish your questioning please.

Senator McElman: Mr. Waters would you feel that it is essential that every working newsman in La Belle Province should be bilingual irrespective of the working language of the people he is with?

Mr. Waters: I think a good journalist in Quebec knows he has to be bilingual and if they are any good they are rapidly becoming that way.

Senator McElman: There is a tendency there?

Mr. Waters: Yes.

Senator McElman: At page 11, section 51, the first of your few simple recommendations, you say you could like an opportunity to study the information we uncover—that is the committee uncovers—and return to report what recommendations we would like to make based on your recommendations. Based on the information we have uncovered thus far through our tremendous research staff, which runs about that deep from the floor...

The Chairman: Senator McElman, I have been very carefully guarding that information from the press and here you are giving all these secrets away.

Senator McElman: That was just in volume, Mr. Chairman. Would you care to give an estimate, since we are having 150 witnesses minimum at 90 sessions, would you care to give an estimate as to how many years Senator Davey's committee would sit on that basis?

Mr. Waters: Well, what we are trying to get at is within a very short period of time you are going to be much more informed than we

are. In trying to probe our own members, what we have found is that they haven't even thought about the possibilities of the information which will be uncovered and they have never thought to check into the things that are going to happen in their profession. Their opinions and their information is very scant and malformed at the moment.

Since we feel that we are most interested in us we would like a chance, one, to be more specific later on and to do more study ourselves, but two, we also feel there is a danger that your investigations will not get at the type of information that we want in the sense—I don't know how many associations of journalists exist in Canada. There are unions occasionally in Toronto but as far as I know there is no association which has professional interests—I use that term guardedly but I simply feel it has an important role to play in society, that it must investigate and think about its own role and discuss it extensively which is a totally new thing. In that context we are a little uneasy and you people are going to move much faster than we are ready to.

The Chairman: There is a like association to yours in Toronto. They are coming to the committee....

Mr. Borden Spears: In English Canada.

The Chairman: In English Canada, I am sorry. But are they mostly in Toronto?

Mr. Borden Spears: No. They are centred in Toronto.

The Chairman: I believe they are coming in January or February. If I could just make one comment on this it would be to say that I concur with Senator McElman's point but at the same time I have taken the position consistently, and will continue to take it, that when our study is completed, while I don't think we can comply with this request we certainly do intend to publish all of the research material which we can possibly publish—that is anything which is not too confidential which obviously we would not publish, but anything at all apart from that which we can publish we hope to make available and I think some of it will be useful certainly.

Senator Hays: I would like to make two quick observations if I may.

The Chairman: Are they questions?

Senator Hays: Yes.

The Chairman: You are not going to favour us with a speech, Senator.

Senator Hays: No, they are questions we have been working on quite long and I have never known a reporter or a politician to keep a secret, so I think that kind of takes care of that. The other thing is on page 2, paragraph 10, you speak of a code of ethics. This code of ethics—is this code going to be within your own association and have you started to work on this?

Mr. Waters: We have started simply I suppose by realizing that a code of ethics is probably impossible. There may be certain broad guide lines that we may work out but we are very leery of any kind of chatty version of the Ten Commandments because we do not think it would have any meaning. What we want to do is have the kind of discussion and constant self-analysis about the ethical issues in the profession so that our members would become much more sensitive to the problem, because it is easy to distinguish between a journalist who is trying to be honest and one who is clearly dishonest. It is not even worth discussing because it is such an obvious phenomenon.

What we are concerned about is where the honest man is failing and is puzzled about why he is failing and how he might do something to guard against it or to prove his ethical qualities. We realized in our initial discussions that this is going to be a very complex area to investigate. I think we will publish the information we find out in the discussions we have but it will be a long while.

Senator Hays: Could you give me an example of this code of ethics—something that would be taboo? I just don't know what you mean by a code of ethics. I am beginning to become very confused about freedom of the press because everybody has a different version.

Mr. Macdonald: Well, possibly we are getting hung up on the label. We are not actually talking in terms of a code of ethics. We are simply talking ethical matters pertaining to the profession of journalism.

Mr. Waters: At what point does a journalist who is working on a story whose implications are harmful to people, at what point does he decide that the story is ready for publication? Or at what point when a city editor is hungry

for copy, quite reasonably, does he sort of say to him "Hurry up and finish that up, you are being overly sensitive, you are behaving like an academic". It is this grey area where good journalism exists or unethical journalism exists and I think they need a lot of discussion in detail of examples and instances where people can agonize over them.

Senator Prowse: Not like the restaurateur's code?

Mr. Waters: No.

Senator Hays: Do you have in the newspapers that any of you work for a code of ethics that is given to a reporter?

Mr. Waters: Not to my knowledge.

Senator Hays: No newspaper that you work for has a code of ethics?

Mr. Waters: In fact very rarely is there an attempt to instill any kind of ethical behaviour into individuals.

Miss Fraser: I think one of the problems you run into here is that people who have codes of ethics are usually people who are considered to be professionals. Here you enter into the whole business of what is the status of a working journalist—is he or is he not a professional. There are a good number of people who feel that he is a professional and is recognized as such. Myself, I do not because that means that somebody outside has to recognize who is and who is not a journalist and I do not particularly want that kind of distinction being made. I think it is very dangerous because it can be too exclusive and you are going to run into trouble operating a formal code that applies to the entire profession if you want to call it that...

Senator Hays: Well, let us take for instance the reporting of a suicide, this sort of thing. Would this come within a code of ethics?

Mr. Waters: I think what is happening, and I have mentioned the fact that times are changing. They are, and there was a time when this hierarchical structure in the media meant that decisions of this kind could be taken higher up and they were the keepers of the ethics of journalism. What is happening with the massive amounts of information that are coming out now and the massive speed with which things are happening, is that power is really becoming decentralized. A publisher today probably doesn't have time to read his own paper so that his influence on it

becomes kind of spotty, kind of general guideline type of thing only, but the real decisions are being made much lower down and the ethical development let us say that a publisher might have had—this has never been done at the lower levels—it is necessary because that is where the real power lies.

Senator Hays: You feel then that there should be some code of ethics?

Mr. Waters: Well, I think there should be certain guidelines about certain kinds of thing, yes.

Senator Prose: An agreed understanding at any rate?

Mr. Water: Yes.

Mr. Blaker: If I might add, Senator Hays, to my surprise I ran across something along that line for the Television News Directors Association and there apparently exists a code of broadcasting news ethics, adopted January 2nd, 1966.

The Chairman: Could you file a copy of that with us? We would be most interested in it.

Mr. Blaker: Certainly.

Senator Hays: There is one other question that I would like to ask. For instance, you saw the story about Marshall McLuhan's son and this was the headline. "Marshall McLuhan's son is charged with pushing dope. He is 16 years old." Down goes the story. Would you think this is ethical reporting?

The Chairman: Who are you directing the question to, Senator Hays?

Senator Hays: To anyone.

The Chairman: Well, let us ask Mr. MacDonald.

Mr. MacDonald: Well, are we speaking as an association or as individuals?

The Chairman: I think as an individual.

Mr. MacDonald: I would prefer to have the association answer this one.

The Chairman: Well, why don't you answer that, Mr. Waters?

Mr. Waters: Well, I think when they refer to the razzle dazzle, I think this is what they are objecting to—the issue of dope in a society and the kind of people that are involved in it are the kind of things that reporters want

to write about. They are less interested in writing about individual cases which are really just for entertainment purposes because of the big names involved and they feel somehow or other they are being shoddy when they are doing this.

Senator Hays: You say they feel shoddy?

Mr. Waters: Yes, I think so. The ones that came to the meeting expressed this feeling and do feel that way, yes.

Senator Hays: So you think that this should be in a code of ethics? Tommy Douglas's daughter is another example.

Mr. Waters: It is a question of the play that is given I think. It is one thing that the information be conveyed and it is another thing as to how it is played.

Mr. Blaker: The argument goes, Senator, that people who are in the public eye have a certain responsibility to the public. Their opinions and their impressions bear a certain weight in the public and their family lives can indicate whether or not one should give as much weight to their opinions as would otherwise be indicated.

In other words, a man who has a son or a daughter in trouble of one kind or another might be judged by some people accordingly. I don't think any one of us would agree with that because I think every one of us here would just as soon never see such a story.

Mr. Waters: There is a very literate rationale that you could justify it as well. We have discussed this for example with the Sharon Tate case. We are aware also that we perform not only the function of giving information but we are performing some sort of dramatic function to people and they have a certain desire to work out certain feelings by reading certain kind of things and in that sense you know it is a sort of certain experience they are going through. How public figures suffer you know—Sharon Tate is their King Lear so that there is a grey area there as to whether or not you are simply exploiting a thing or whether you are performing a function which is perhaps valid.

The Chairman: Well, I would like to ask you a question; because you referred to section 34, I would just like to ask you one question with relation to Section 33.

The article in Fortune Magazine, as I recall, and I read the article—I hope I am right—it made the point that the newspapers are not

reporting the changes which are taking place and it used as examples, I believe the computerized society and I think it talked about the Negro revolution. These were the two stories which unfolded which the newspapers in the United States missed. I really have two questions. I think it also indicated a third story which the newspapers were not covering. I am wondering if you think that that is true in Canada—that is question A—and question B is what are the comparable unfolding developments today? Perhaps I am transgressing, passing you a question in your capacity as associate editor of the Montreal Star, and it might be a very unfair question. If it is please say so. What are the comparable areas in Canada today that are not being reported on perhaps that should be? Let us take the first question. Do you think the press does an adequate job of reporting?

Mr. Waters: No. At the seminar we held a number of people made the suggestion that it should be a regular thing in the newspaper, possibly every week or every day, to apologize for where we fail. To make the reader realize that the impression that the media was giving that it was all-knowing and all-wise—that we accepted that this was false and there was a great need to do corrective reporting and to say on that one, we missed it and we boomed it and here is now our revised version. We would do it as often as we thought it necessary so the public would be aware of what it is we are trying to do. That was one area that came up. As to the trends in Canada, we are not reporting, the problems that by and large if there is nothing reported it is because we don't know. We are aware that we do not have the resources or the time. The conditions under which the media work really preclude digging or becoming knowledgeable enough and sensitive enough to be able to detect these trends. In that sense we are victims of our own structure.

The Chairman: You haven't had time to be effective?

Mr. Waters: Not enough.

Miss Fraser: I think there is a tendency to un with the herd, to take the easy way out very often. One of the areas where I suppose that English language media in Canada have failed most badly in is interpreting Quebec to the rest of Canada. You know that is a cliché but we have not done it properly. It is evident every time I meet somebody from Manitoba or Newfoundland or wherever that he just has not been getting the message, the various

things that have been happening in Quebec, and I think one reason for this is that many of us know there are certain things or certain pegs that you can hang news on and..

The Chairman: Well, Mr. Claude Ryan was here the other night and we spoke about this and he specifically exempted the Toronto newspapers from that charge. Would you agree with that exemption?

Miss Fraser: Up to a point. I think they are doing a better job than we are.

The Chairman: Why do you think the papers for example in western Canada are not doing a very good job in this area?

Miss Fraser: Well, for one reason I am not aware of any that have very many correspondents in this part of the country or in Quebec. At least, that I know of.

The Chairman: It is the absence of correspondents?

Miss Fraser: This is one of the reasons.

The Chairman: Well, why don't they have correspondents in Quebec?

Miss Fraser: Because they presumably are not setting their priorities the way I would like them to.

Mr. Waters: This is the problem, because if you are going to do this kind of reporting it stands to reason that you have to be advanced, and spend the money in advance on what your public is going to want. You are committing yourself to a judgment and you don't send staff into an area until the public is demanding that knowledge. You don't send them in until they are demanding it and the chances are you have missed it already in a sense.

Mr. Macdonald: The tragedy is that hindsight is one of the characteristics of our business.

Senator Prowse: Not yours alone.

Mr. Macdonald: I think supposedly we are involved in a very vital role in contemporary society and hindsight is something we can do without. There are so many examples—a national commission on violence in the United States has continuously pointed out that the media at large, not only the printed word but the electronics journalists as well are simply not anticipating, not projecting. For too long we have been after the fact; that is no longer sufficient.

Senator Prowse: May I ask a question?

The Chairman: If it is a supplementary question, Senator Prowse.

Senator Prowse: The supplementary question is this. Western Canadian papers have just been abused here and I would like to know how many eastern papers have people out in western Canada trying to interpret to Quebec and let them understand why western Canada feels the way it does?

Miss Fraser: Not enough.

Senator Prowse: Any?

Mr. Blaker: It works both ways, of course.

Mr. Macdonald: I think the state of our business in this country is appalling, the Montreal Star excepted.

Senator Prowse: May I suggest that maybe at least 90 per cent of the imagined problem results from the fact that nobody else is interpreting the other parts of Canada to Quebec and nobody in interpreting Quebec to the other parts of Canada.

Mr. Blaker: And the Maritimes to the rest of Canada.

Senator Prowse: Yes, we are all guilty.

Mr. Blaker: I think we might have a significant problem outside of Quebec to Canada rather than Canada to Quebec or the other provinces.

The Chairman: I am becoming increasingly discouraged by the moment but before I become too discouraged I will turn to Senator Smith.

Senator Smith: My questions are getting shorter all the time. On this heading of paragraph 33, the problem of relevancy. I have heard it said, and I do not have any assessment yet of circulations of the underground newspapers, but I have heard it said that one reason for the growth of the underground newspapers is because the daily newspaper is not really relevant to that kind of society. What do you say to that?

Mr. Waters: I think it is true. I think this business of decentralization I was talking about earlier is happening also. The bigger the establishment tends to be, the less, at the moment at least, it is sufficiently decentralizing both its coverage; so that when an editor sees a story come in about a university or

sees a story coming in about a business, he does not have the rapport with the area necessary to make that readable or significant or relevant to the people who are reading his newspaper. Obviously they look at it and they say somebody has processed this and they must know and it is significant or relevant to the people who are reading his newspaper. Now, the underground press is appealing generally to specific areas where there is a rapport between the people of the papers and their readers. They are taking up a slack in an area where the media in general are failing.

Senator Smith: Well, I have read two underground newspapers. One I just found for sale down on Elgin Street just last weekend and I was quite impressed by the improvement between that one and the one that I read one time last year.

Now, this is an interesting point I think, but it served a very valuable service; in a rather large corner of that particular issue it gave what I felt were very sound medical and other reasons for the steps you should take if you get up with a case of an overdose of drugs or whatever it might have been. I believed it was mighty sound advice. If some young kid gets caught in this thing, that paper is really relevant to his awful position: I just cite that as an example.

Now, before Senator McElman gets his supplementary question in let me just move to two very short questions.

The Chairman: I believe I have to have Mr. McElman's permission to do that.

Senator McElman: Go ahead and I will come back.

The Chairman: Fine.

Senator Smith: I notice that you have spent considerable attention on the fact that you would like to see more education and training and salary improvements along with working conditions in general. Are you or are the members of your association also members of the Guild or some other bargaining unit in the province of Quebec?

Mr. Waters: No, there is no bargaining unit at all for journalists in the province of Quebec. There never has been.

Senator Smith: Well, I didn't think so but I wanted to be sure. My other and final question is, in view of the fact that the tone that I receive from your whole brief is one of a

professional attitude it seems to me that you haven't, perhaps you should have, been considering the validity of moving into an area whereby you would give someone some advice some time with regard to licensing of professional journalism, particularly in the province in which you operate. I believe it is a subject that has been under discussion in the French section of the newspaper business, is that not correct?

The Chairman: Well, Miss Fraser looked at me in a way which leads me to believe she would like to make a comment.

Senator Smith: I would be delighted to have Miss Fraser answer my question.

Miss Fraser: Well, I think what you are getting from me is a minority position. I think perhaps Mr. Waters can give you the majority position. My minority opinion would be that the licensing of journalists would be a very very dangerous thing, mostly because it is a restrictive practice. It can be. First of all you have to find some outside body which issues the licences, then it has to decide who it is going to license. You were talking about the underground newspapers and I think they are a very good example. I am reasonably sure that it would take a very self-confident licensing authority to license the editor of an underground newspaper as a journalist, and let these papers do on occasions progress. Where do you decide that they have made it into the establishment range? I think that this is very difficult. I would not mind—you know do not object to the practice that they have in the press gallery where you have to be accredited to a specific organization but to just license journalists across the board, I think this could be extremely dangerous.

Senator Smith: The only comment I would like to make on that is I think the same anger is inherent with the system that licenses engineers and dentists and doctors and lawyers today, and I am a former member of one of those professions and I see faults in the profession in which I was for many years because of the licensing being in the kind of hands it is, which is in their own hands, therefore it becomes exclusive.

I can understand perfectly well from your answer what the difficulties are.

Miss Fraser: Well, I think there are differences in kind though between professions like engineering or the law where you really do have to go through a very rigorous specific

course of study; when you say you are a lawyer you mean a very definite thing, when you say you are a journalist what do you mean? Do you mean you are a purveyor of opinion or...

Mr. Waters: Well, just perhaps to say that I think the minority opinion is the majority opinion. This was our recruiting problem as well. I think when we are talking about professionalism in journalism we are talking about the quality of the activities being done, not about any organized structures at all. Journalists are rather against any formal structures. They instinctively tend to react against them.

The Chairman: I think the reporter would like to have a few seconds so we will adjourn for 90 seconds and while he is making his change I would like to say that I do not think we will make it a late night, Senators. If you will perhaps organize yourselves for your final questions please.

Short recess

The Chairman: The questioning will be resumed with a supplementary question from Senator McElman.

Senator McElman: In your comment a few moments ago, you suggested that the newspaper must operate within the context but with an eye to what the public wants. I appreciate what is behind that but within the Canadian concept today—which some regard more seriously than others—do you feel that the media and particularly the printed media have the capacity to deal in detail and depth that the electronics media have not done, at least to the same degree? Do you think there is a particular role or a responsibility or duty to make a very good contribution to keeping this country together on the subject of Canadian unity and so on?

Mr. Waters: I do not. I will have to perhaps explain that answer. I think that the assumption on which the printed media have to operate is that if they are understanding what is happening and are conveying in a proper way what is happening—you have two nerves operating there—that the public can be trusted to make the right judgment. They do not have to shortcut their role by somehow channelling the information in a way which is either going to protect their inadequacies or going to protect what they might suspect is the public inadequacies and properly inform them and to make their own proper judgment. The assumption the media have to

work on is their role to see that the people are intelligently informed and it is not their role to interfere with what they do once they have it. That is the role of politicians, it is not the role of journalists. That is my feeling on it.

Mr. Macdonald: I think if we are contributing to national unity, which I think personally the media should do, it is not necessarily in the content to provide and let the public make up its own mind, it is simply a matter of techniques or the mechanics of the media. We were referring earlier to the lack of east-west exchange of correspondents. The Vancouver Sun's total ignorance of the Maritime region and the Maritime's ignorance of British Columbia experience. I think if we are to contribute to national unity it will be through that kind of mechanical function.

Senator McElman: Then you feel that editorially it is not the purpose even in this important area

Mr. Macdonald: I am not talking about the media in terms of editorial pages, which I think are a separate category.

Senator McElman: Oh, I am sorry, I did not frame my question properly. I am speaking of both areas but let us deal with the editorial end of it. Is there a responsibility in this area to lead?

Mr. Waters: On the editorial pages, yes, I would say so.

Senator McElman: You refer to in-service and other types of educations for journalists and up-grading of their capacities and so on, and I take it you suggest this would be paid by the industry and not the state, of course.

Mr. Waters: I do not think anybody in the industry has answers to the question. For all we know the universities might provide it for us free. There are a lot of things we just do not know. We have not tried. We intend to approach the university to do things for journalists, like if a journalist wants to take a course in political science or urban management or in some specific area you will ask the university, which is presently structured for its own membership essentially, that they waive the credential if we can show that the person should be taking the course. In other words, we become a channel for that kind of request, an organized channel. We would like to be able to persuade our members to say what courses would they like to have and be

able to go to the universities and say, "We can guarantee 15 people to enroll in it and under what conditions could you create this course for us and what would it cost?" At that point whether we could go to a foundation, or go to the government or the Canada Council or what have you, I do not know. We had a very pointless answer. We wrote the Canada Council and requested information about how much money they would give a journalist like this and we received a brochure back which really applied to academics and that sort of thing. We are going to take it up with them again. And now, quite possibly the industry will offer—because I think I should point out here that higher management is very much concerned with the same kind of problems we are, because relevancy is a problem to them as well. They are searching for answers and we hope there will be the kind of dialogue that will result in confrontation.

Mr. Blaker: If I might add a point with reference made to the Canada Council, Senator McElman, and also the reference to the obligation of editorialists to lead. I happen to be an editorialist. At one stage I was somewhat concerned, as I think many of these journalists in Montreal are, with the possible improvement of relations between the two cultures in Montreal via the media.

Another chap, a French Canadian chap and myself, made some effort to see if the Canada Council would accept our proposal to do a relatively brief but in-depth study of certain sections of the media in Montreal in order to determine whether or not the media were contributing to a better understanding or were, as we fear, incidentally contributing to a degree of misunderstanding. We offered to do this work at its secretarial cost only with no charge for our involvement or time. I have yet to hear from the Canada Council and the requests were made a year ago.

Senator McElman: To get back to this matter of education—in the matter of education training for journalists we have been given to understand that there are some pretty good availabilities for such training in the French language in Quebec. How is it in the English language?

Mr. Waters: Well, I think this question of training—again we do not know what our members think. It has been my experience and I was quite new to journalism recently that all the technical equipment and the

familiarity with the media that a journalist needs can be properly given within three to six months on the job.

Senator McElman: I was essentially speaking of the formal training and education, the schools of journalism and the university availability and so on.

Mr. Waters: Well, they are not existent for the English in Quebec. There is a communications department at Loyola which is fairly recent but they are largely electronics, films and things of that sort.

Senator McElman: Is there any effort being made to bring about a change?

Mr. Waters: Sir George Williams I think is starting something—I don't think there is really anything in journalism. I don't think they are interested in journalism but in the whole academic field of communication which is becoming an area of great interest. This sort of investigation just was not done in the media in very philosophical terms.

Senator McElman: I realize that your group is very young but do you think this would be a very laudable objective on your part to get such training available?

Miss Fraser: Well, this is the point I wanted to make. In my experience, and as far as I can gather from the questionnaires we got back, most of the journalists in Montreal at any rate think that schools of journalism are ever so slightly irrelevant. They would not mind taking an inter-disciplinary course vaguely labelled communications which taught them something about economics and physics and biology and political science and everything that they are going to cover. But the actual craft of reporting does not take that long to learn and you can only learn it by doing it. It seems to most people to be pointless to go off and spend several years getting a degree in it.

Senator McElman: Well, we have had another view expressed and I wanted to make sure it was your view.

Mr. Blaker: I think the tendency of journalists today is moving much more towards a background in which there exists an area of potential expertise that can be tailored to meet the demands of journalism. In other words, perhaps as Miss Fraser pointed out the journalism aspect of a journalism school does not seem to be the greatest need and as the brief points out the needs of the journalists

themselves seem to indicate a desire to get into other areas of specialization with which they can do a better job.

Senator Prowse: Well, is post graduate training really listed?

Miss Fraser: Yes.

The Chairman: Senator Everett?

Senator Everett: It is late Mr. Chairman, I think I will pass.

Senator Bourque: Mr. Chairman, somebody spoke a while ago about the confidence that is placed in a reporter.

The Chairman: The confidence?

Senator Bourque: Yes, about the confidence that they would place in a reporter. Well, as you know, I have been an alderman, a mayor, a member of Parliament, I have been president of many associations and I have never been betrayed yet by a reporter, by a newspaperman at any time. When they have come to me I have said to them, "Well, now, I cannot say anything to you about this but I will tell you in confidence what we intend to do, but this is not for publication," and in all the years I have never been betrayed. There was one man and he used to come to me all the time. He is dead now and was from the Montreal Star and for some 40 years I gave him all the news but he never published anything—but I always gave it to him first so the others would not beat him to the punch. I can say that I have entire confidence in reporters. I was in the newspaper and publishing business some 50 years ago, long before any of you ladies and gentlemen were in the game.

Senator Prowse: Well, long before that.

Senator Bourque: Well, I am 80 years of age so I am not a young man any more. I am particularly interested in paragraph 3 where you say "the initial impetus for our formation was the emergence of a federation of bodies representing the French journalists in Quebec." I believe in national unity. I am just wondering why you could not get together. I think if the English and the French press got together, I think it would be a great advantage for the province of Quebec considering the troubles we are going through.

I was just wondering if you could give us a few words about why. There must be a reason why you did not get together. Was it the fault of the French press or was it the fault of the English press or was it the fault

that you were each keeping to one side? For the sake of national unity if we could get you gentlemen together it would be a wonderful thing for the province of Quebec.

The Chairman: Mr. Blaker, would you like to comment on that?

Mr. Blaker: Through efforts of my own I was successful in obtaining some time for the French radio journalist to whom I referred earlier. He became a guest on my particular radio station—I wish it were mine in the sense of proprietorship—and I specified to the English-speaking Montreal listening audience that his continued stay with us as a guest, where he began trying to explain the needs and demands and concerns of French Canada, would depend upon their reaction. I would not think there was any point in doing a soft soap sell because I thought it was up to them to get off their hands and let us see whether or not they were interested.

We received a very good reaction—an extensively good reaction. After some time the visits ceased. I am not clear why but we do seem to have a very small minority of people who take strong objection to this type of exchange. For a period of four months I was a guest on a French-speaking radio station where I did editorials in French.

Senator Bourque: Can you speak French, sir?

Mr. Blaker: I believe we all do, sir.

Senator Bourque: Do you all speak French?

Mr. Waters: Yes.

(A short French dialogue between Senator Bourque and the four panelists.)

Mr. Blaker: We found that after a period of some 3 or 4 months it was a similar reaction again. I think a rather small minority of people objected to having me on their airway and my days as a guest were dropped. The experiment has been attempted and there does seem to be some problem but we remain interested, I think, in carrying out the kind of suggestion you make.

Senator Bourque: Well, let us hope that you will be successful.

Mr. Waters: The founding people wanted I think, instinctively, to join the federation—the French Federation of Journalists—but I think it was primarily the question of money. We would really like to have for say a period of two years with them a system where we

would give half our dues to their organization because they would be doing more and we would be able to definitely benefit from it. We would be on all their committees, perhaps in a non-voting capacity. We would like to give them say a third of our board of directors so that there is whole exchange but because of structures and a lot of other things, there are specific things which we should probably be still organized to handle, and we should wait until the French-English problem becomes more resolved, until we can arrange to have some kind of organization where we could do things only that way. That is what we are hoping for.

The Chairman: On this question of membership, why the failure to attract television people into your organization? I notice you do not mention that in your brief; is there any reason for that?

Mr. Macdonald: I wish I could answer that because I am supposed to be handling membership recruiting. Somehow both in radio and television, although radio has been slightly more cooperative, there is a great reticence to be a part of an association and the bulk of our potential television membership from Montreal would be from the CBC. Some of them at least feel that they are now capably represented in a professional way through a particular union which we do not enjoy. Perhaps the reason is that somehow the nature of broadcasting has always been one of transients and mobility and no particular feeling for an association, for a grouping or collectivism, and perhaps that is now the reason because radio is 50 years old and they are losing this characteristic and beginning to realize they are part of a larger operation. Perhaps it is television's infancy but Mr. Blaker is more familiar with broadcasting than I.

Mr. Blaker: I think part of the explanation of the lack of television people might be the fact that the director of news and public affairs of the private television outlet, CTV, considered the subject in an editorial broadcast and damned it as far as associations were concerned. He felt possibly that they were of no use whatsoever.

The Chairman: Who is that?

Mr. Blaker: A gentleman by the name of Mr. Bert Cannings. This could have had some effect, perhaps.

Mr. Waters: I think we have prepared the time well now and I think if we were to go into the CBC there are some 15 or 20 members we could pick up quite easily now, so it may cease to be a problem.

Mr. Macdonald: It takes a great deal of persuasion.

Senator Prowse: Well, the first question has to do with joining the Quebec people. I am wondering if perhaps you are not taking the attitude of the fellow who waits until he has money or waits until he can afford it, until he gets married. Do you think this is what you are doing?

Mr. Waters: Well, we have thought a lot about it but it is a very sensitive decision to make. It involves both an understanding of the nature of the French journalist and the nature of the English journalist, of their employers and a whole lot of things. It involves the educational scene in the area and it's a qualified judgment that we have made so far and we are not making it on behalf of the association and manage to expose our thinking on it. The fact is that they may just decide to marry.

Senator Prowse: The next question has to do with paragraphs 46 and 47 which outline the Stern proposals and the charter there. Paragraph 47 says:

"The Board must be consulted by management on any change in ownership, and on the appointment of an editor-in-chief, who cannot be dismissed if the Board disapproves such action by a two-thirds majority."

It seems to me that there might be merit in this. Can you tell us what there is in your experience that makes this either necessary or desirable? Have you gone that far?

Mr. Waters: I would be guessing at this point what I think about those who are in favour of it or why I would seriously consider it. The reason would be, I think, the strength of journalism is in the reporters and I think they see a need for structures that would give them a much greater confidence in what they are doing and the demands they would make on resources on the media; this sort of thing. Dialogue might be better if they felt that the structures were designed to be more responsive to them. Now, this again would vary very greatly amongst them depending on their attitudes to a lot of things. In some papers this is not a problem; management is

responsible; but in general and in the higher structures in the media at the moment and the resources available to it, there is this generally expressed lack of dialogue between levels of management, hence a lack of confidence.

I think it might help seriously in that way.

Senator Prowse: The other question has to do with the matter of your concern about the acceptability of the press as a reliable medium. Do you think that perhaps your problem rises entirely out of the fact that because you have so much news and such limited space, you have to select? Now, for example, for reasons which are quite obvious, I picked up six papers which covered our hearings yesterday afternoon.

Now had I not had that experience as a newspaperman and to me the fact that there was a political feud on in New Brunswick—it is no news to me, believe me. To me the important thing of course was what we were trying to do here, to establish some information to enable us to come to some conclusion as to what useful recommendations we might make in dealing with this important matter.

Some of the papers carried nothing about that. Now, I do not complain about any of the reporting and I do not complain about any of the reports, but a person reading those six different news reports—it's just like getting six witnesses to an automobile accident which I get in law. These people are not liars, as you know some people say somebody is lying here—and they are not, they are doing the best they can. I do not think that anybody who wrote these stories yesterday—there was nothing there that I would say was a deliberate distortion, but there was of necessity selection, and different people selected different things, which I think is a healthy indication. But to the ordinary person—I remember as a reporter how you go out and cover an accident and somebody breaks a leg and you write it was the left leg because that is what they told you from the hospital, and you run into somebody who says: "Those darned reporters, you cannot trust any of them, it was the right leg that was broken."

Now, you have had that same kind of thing; do you think that is the area? Do you think maybe you could help yourself if you write some stories about yourself?

Senator McElman: Mr. Chairman, before that question is answered I would like to correct something for the record. Senator

Prowse has referred to a feud, a political feud in New Brunswick. I deny such is the case; it was a difference of opinion.

The Chairman: I think Senator Prowse was referring to several headlines which used the word "feud".

Senator McElman: There you go you see, he is being unduly influenced by the press.

The Chairman: Well, Mr. Waters, would you care to comment on that?

Mr. Waters: Yes, I would like to comment. I remember when we had our first ethics seminar I started off by sort of saying that I believed I was born on such and such a date because I saw it in the birth column in the paper. People tend to believe what they see in print. It is a fact. As I have become more experienced in journalism, I have come to doubt the fact about even one's own birth. I do not think these kind of accuracies when you are talking about the right or left leg are possible in today's journalism. I think the public has to be made aware of the limitations that the journalist works under.

Senator Prowse: Well, I do not think they are.

Mr. Waters: Well, I do not think they are either. This is what I think the younger journalists are expressing and when they are talking about the question of relevancy. The public is damning them for doing something they can't do or at least try to do any more accurately than they are doing now because there are more relevant and important things such as why the leg was broken and how well the leg was healed and so on. Journalism is still hung up on the business of detail and the superficial facets of our society and I do agree with you that I think the problem of credibility is still with us.

Senator Everett: I stated before, Mr. Chairman, that I would not have to ask any questions but this section on multiple ownership on page 5, Paragraph 21, just too fascinating to let go by. One of the statements is to the effect—"However, half of those who approved said that in such cases owners should be regulated so that no monopoly is created and that editorial freedom is preserved". Do you know what is meant by monopoly in that context?

Miss Fraser: I think they were talking about something similar to the situation in New Brunswick or the situation in Quebec before the Desmarais group split up; before they got rid of their television holdings a couple of weeks ago.

Senator Everett: So that would mean in a certain fairly wide area every certain form of publication being owned by one group?

Miss Fraser: Yes, or supposing one wild day you woke up and every daily newspaper in Canada was owned by the same chain. That would be a danger, a monopoly.

Mr. Macdonald: I think we find ourselves sometimes getting confused about the definitions, multiple ownership versus concentration of ownership, I personally would not consider it necessarily bad that one man or one company could have ownership of various media in various areas of the country. When it is concentrated in one region, it is deplorable.

Mr. Blaker: I wonder if I might also reply to that question. There would seem to be in the broadcast media two features which go to this question of either multiple ownership or concentration of a diversified interest. First that unlike the newspaper or at least to some degree, it is virtually impossible to get a grip on the eyes and the ears of the people within any particular locality. With respect to television—cable television is becoming a very common feature in the urban centres. As to radio of course, it is virtually impossible to stop the input into a set. You are crossing boundaries and as a matter of fact a \$50 short-wave radio can pick up Radio-China if it exists. I think in that sense of a monopoly this doesn't quite apply—certainly not to radio and perhaps not as much to television as it might to a newspaper which has the additional difficulty of transporting its particular product. The other aspect of multiple ownership is that—I do not now speak for the entire membership but I have the distinct impression that quite a number of us felt—that with the workload, we found that chain operators tend to provide greater resources and staff and to improve the quality of news. That is a very wide and not particularly defined judgment on my part.

The Chairman: Are you talking in broadcasting or in newspapers?

Mr. Blaker: I am now speaking of broadcasting.

Senator Prowse: You are speaking of CTV.

Mr. Blaker: In my last comment I was referring to radio.

The Chairman: You were thinking of Standard Broadcasting?

Mr. Rod Blaker: Standard Broadcasting or it could be Geoff Stirling's total operation but I don't recall the corporate name he uses for it. I believe there are two or three other chains; then you have the repeater stations which is a chain concept which simply feeds and additional area.

Senator Everett: Than, you would almost all agree that monopoly has to be a very pervasive thing to be called a monopoly?

Miss Fraser: In Quebec the particular area which alarmed people was Sherbrooke and that is not a large area—Sherbrooke is not a very big town.

Senator Everett: No, I was not really talking about its geographical size. It might be a small area.

Miss Fraser: Yes.

Senator Everett: We would only be dealing with a limited number of situations and possibly only two which would come under the heading of a monopoly in your mind then gather?

Miss Fraser: Yes.

The Chairman: Well, I would like to have some clarification on that. When you say only two in Canada and Miss Fraser says the situation in Sherbrooke by her definition could qualify as a monopoly, then, I would suggest that there are more than two such situations in Canada.

Miss Fraser: Oh, I was saying yes to a very low. I do not know the exact number but as I pointed out I do not know anything about the test.

Mr. Waters: I detected that at least most of the members were not interested in the problem because I do not know whether they distinguished or saw that much of a difference between working for one paper or working for a chain. It didn't affect them significantly in their work. They were still subject to the same kind of pressure, they were still confronted with the same lack of resources by

and large. So it was not a critical issue to them. Obviously it would be if it became a massive problem. But in working for a single owner or one that owned ten papers, working conditions were not that different, what was demanded of you was not that different and what you were able to do was not that different.

The Chairman: Are the members calling on their experience prior to their working in Montreal or were they calling on their experience in Montreal?

Miss Fraser: I think that I might say that I work for a chain—I work for a newspaper which is part of a chain and I don't feel restricted in any way. On the contrary, it is very nice to have a large corporate organization behind you that can feed you with enough money to maintain a library and what not, but if I were in one of the several cities in Canada where the only two newspapers—morning and afternoon were owned by the same man and have the same staff but pretend to be different then, I would be quite perturbed.

The Chairman: What if those newspapers were members of the chain for which you worked?

Miss Fraser: I would rather not comment on that.

The Chairman: I am not trying to be difficult as I am sure you will appreciate it is not a hypothetical question.

Miss Fraser: I realize it is not a hypothetical question...

The Chairman: By all means don't answer it.

Senator Everett: Then your general view is that beyond monopoly situations the concentration of ownership is not a bad thing...

Miss Fraser: Not per se.

Senator Everett: And it may be perhaps a good thing.

Mr. Blaker: I wonder Senator if you wouldn't define concentration of ownership?

Senator Everett: I guess I would have to use your term multiple ownership-similar investment pattern.

Mr. Blaker: Well, with respect, I am afraid you have thrown back a question at me. I will if you wish use any definition we can agree

on for the purposes of establishing what a concentration of ownership is. Do you mean by locale, do you mean across several media, do you mean a vertical integration or...

Senator Everett: Let us use FP as a case in point.

Mr. Blaker: I don't know the case.

Senator Everett: Well, FP would own several newspapers but none of them to my knowledge—well, just let me restate this. FP, as I understand it is a newspaper chain that owns newspapers but all of them in different localities.

Mr. Blaker: Then, I think of the reaction of the members of the association would tend to be that the services provided by the chain would more than offset the disadvantages of the chain. This would be from the point of view of the working journalist.

Mr. Macdonald: That would explain it in the case of FP publications which may have something to do with the standards set by management or by the administration.

Senator Everett: But you might not lend to criticism brought by virtue of the fact that they are chains but some other reason?

Mr. Macdonald: That is correct.

Senator Everett: Not because they are a group?

Mr. Macdonald: Not necessarily.

Mr. Blaker: If I might return with respect to a somewhat different relationship in terms of a chain which has to some degree the same effect on the news—Standard Radio News Service to which if I recall correctly are attached or involved approximately one dozen other radio stations across Canada. This of course is a service which these people pay for, and use if they see fit. In a sense that has the chain implication. It is a single source of accumulated information which is passing down an entire broad band conveying information to stations which can in turn, if they choose, convey it to the public. I would consider that as having absolutely no disadvantages and all the advantages.

The Chairman: Just on that point would you not be concerned about the widest possible dissemination of divergent views and the fact this might be limited by the kind of broadcasting structure which is described?

Mr. Blaker: Well, I think you would be running into more of a commercial question of what is within the feasible budget range of any individual radio operation, in that nothing would prevent a given radio operation—to use for example NBC on the one hand or Standard Radio on the other or Reuters on the other hand—I have wound up with three hands—I am sorry, but the point is that it should not prevent development of additional information other than as an economic matter for the owners and management of the particular station.

Mr. Waters: I should perhaps emphasize the point that the twelve people pointed out that the concentration of ownership can lead to the stifling of opinion by the standardization of news and such concentrations would increase the pressures towards conformity. I think probably they are generally zealous in a sense that they would like to see a thousand competing chains across the land. They do not like conformity imposed by organizational means. If that doesn't happen too much then they couldn't care less what structure is employed.

Senator Everett: Well, I can see where you would be concerned about that but I gather, from reading the rest of those two paragraphs that most of the journalists who are applying are saying "That is not true in my case." They are saying if it is true in other cases we are concerned about it but in my case, in my newspaper or radio station, I am not treated that way.

You make a very interesting point in items 46 and 47 regarding the situation in West Germany to which you make the point, if you follow through your argument, that chain ownership is not a bad thing, but whatever might be bad about it, or bad about the fact that newspapers have to be owned at all, can be corrected by some sort of management and editorial writers association as is mentioned here.

One of the things that we might look for is more competition or single ownership. There are various ways of attempting to protect the public and I gather your way would be not to get too worried about that aspect of it unless it goes too far. You would say a good way to protect the public is to have the editorial writers involved in the management, having the real say of how management operates the newspaper. That would be your solution?

Mr. Macdonald: I would think that more participation upwards would have a great deal of influence on middle management and would perhaps inspire middle management to realize that outside interests then can have very little influence on the reporters—and it would be protection for them as well.

Miss Fraser: I think it is question of not just the editorial writers and management but of everybody and management. I realize that in a large organization it cannot be literally everybody; but the reporter on the floor is the person most isolated from the managerial aspect.

Senator Everett: You mean editorially in the broadest sense?

Miss Fraser: In the broad sense.

Mr. Blaker: I wonder if I might follow up on that as well, Senator Everett. In theory the accumulation of facts should be the same no matter who is reporting them. Obviously here is going to be some differentiation because of the human element, interest, and particular expertise.

The editorial aspect, and I mentioned earlier that I do essentially editorial work on a radio station—the editorial aspect has been found in radio to be a not particularly transportable commodity to other areas.

In general, the system of circulated editorial seems to be now giving way to a demand for more local editorial material which would reflect presumably some of the more local needs of the community. Perhaps this would then come back to your earlier question and also the Chairman's question with respect to a kind of standardization of information in this particular circumstance. It is very difficult to standardize an editorial opinion and push it across a broad band. It doesn't seem to be working very well and many people do not seem to be terribly interested in that type of material.

On the last point, some of the points you have been making, do of course apply to newspapers and to publishing generally, where the editorial staff is operated usually through a board—if the newspaper is large enough for that purpose—and answers to, I would presume, general guidelines of policy. The people who editorialize on radio are

operating on such an immediacy basis that there is no hope to clear a policy three or four times a day. They have to be relied upon to express a sensible opinion and if their opinions are deemed in due course not to be particularly sensible the only result is that they have to be removed. You don't particularly run into Stern and this L'Express problem so much in the electronics media.

Senator Everett: I think you said that one of the reasons for the growth in the underground press was the failure of the established press. Would the growth of the suburban press be for the same reason then?

Mr. McDonald: Well, I think the growth of the suburban papers—and they are spreading out across the country in fantastic proportions—is well, due to two proper reasons—one, the large metropolitan daily, in the case of some cities, or by and large the daily newspaper is trying to deal with entirely too much information on a regional, national or international or global level. Also somehow in our changing society there is a new emphasis on the community, the whole populous spirit is growing and sooner or later the large metropolitan daily newspaper such as the *Montreal Star* becomes irrelevant to the younger people I talk to from time to time.

By going to their underground papers, they are reading things to which they can relate. They are not necessarily getting this over to your society which the daily newspaper might be missing out on, I am not sure, but certainly it is the spirit of the community which is bringing about this.

Senator Everett: So it might not be so much a failure as an impossibility due to the make up of the large daily newspapers?

Mr. McDonald: That is correct.

Senator Everett: Well, to come back to this item on page 6, item 26.

"A number of respondents were worried about the working reporters' difficulty in communicating with middle management, especially with the editors and desk men who handle their copy."

We have talked about being concerned about the commercial pressures that are put on by advertisers and the pressures that are put on

through the public. Are you talking about pressure that is put on by the publisher with commercial interests through the editor, or are you talking about the pressures of the editor himself?

Mr. Waters: My understanding of the answers that were made to that question was that it is the judgment being exercised by the middle management, the desk man. It is simply a problem of desk men getting their copy, they edit it, they do all kinds of things to it, they see so much coming across their desk and they are working at such a pace, that the possibility of sensitivity to the writer is simply not there.

As a consequence, you wind up with a kind of anaesthetical relationship. You care about your copy but he does not. He is making judgment which probably has very little to do with the publisher because I think publishers are becoming much less influential in their papers than a lot of people realize. These people are making all kinds of judgment as to what story is important—this sort of thing. They will take a 15 paragraph story and cut it down to four and there is no communication as to why they are making this judgment to the reporter so that there is this lack of dialogue.

Senator Prowse: It is just like taking your car into the garage and getting it fixed and just receiving a bill. You can't find out what happened to it?

Mr. Waters: Yes.

Senator Everett: This item 46, then, would tend to cure that?

Mr. Waters: Yes.

Senator Everett: One last question. One of the things that I have noticed in talking to editors and managing editors since this committee started their hearings is what I detect to be reluctant to tell it like it is. I do not know if they are too close to their publishers and indeed if they are, they become part of the structure. I am not interested particularly in breaking that down but you do make an interesting suggestion in item 53, page 12. You say:

"We urge that the committee go out in the field to talk with journalists across Canada to gain a feeling for their world and their concern. We believe this is especially important because your investigations should be centred on them. The media is not machinery but people, and journalists are the most essential people within it."

If we do that are we going to run into the same reticence. In other words, would we really get a greater answer in your judgment from working reporters than we would get from managing editors and editors?

Mr. Waters: I think if you want a cross-section of opinion you obviously have to go into the working field. There may be some obstacle in the very simple fact that you are sitting up in Ottawa attracting and inviting various groups of managing editors, publishers etc. But because of our lack of organization you won't really learn that much from associations with journalists. Hence our suggestion that it might be worth while to get out into the field and talk to the working reporters. I do not think you will find much reticence.

Senator Prowse: Where they are not organized across the country, who do we talk to? Suppose we go into Edmonton where there is one newspaper. Now, how are we going to get reporters to come down and talk to us?

Mr. Waters: I would think your research staff would be doing some advance work on that.

Senator Prowse: They have.

Mr. Blaker: The Press Club is probably your most suitable location and if I might add a personal opinion I think you would get a zero reading on reticence if you sit down and talk to people who will flood you with complaints.

Senator Everett: But you must remember that we operate in public...

Miss Fraser: If you could remove this kind of gentleman who is reporting everything you say you might get a freer response. If you could go out with some informal sessions.

Senator Everett: Well, the press would raise heck with us if we were to do that.

Mr. Waters: On press secrecy, I think that the reporters—I understand that you are going to tape confidential conversations...

The Chairman: May I say that if any member of the working press is interested in giving us information in confidence, we are interested in receiving it. However, I am taking the position consistently and continue to take it that these hearings will be open unless otherwise requested by the witness, but I might add I am only one member of the committee and the committee might easily decide that that is not the proper decision but hope they won't. We have taken the position that the hearings will be open.

While I take Senator Everett's point and I understand it and I am sympathetic with it I think through our research, and in the course of the hearings, just as we have tonight, quite frankly we are able to get some of the attitudes of the working press. Perhaps we should consider ways of getting more. I take the point but I must say as far as the hearings themselves are concerned here in Ottawa, I would want to keep them open if it were possibly could.

Senator Everett: Well, assuming that the hearings are open and our Chairman has just stated the point that you make here is still valid.

Mr. Waters: Well, I was thinking in the nature of rapping with journalists, I was thinking very informally and I was not thinking of open public hearings.

The Chairman: Would you like me to explain the verb "to rap" in this context?

Mr. Waters: Well, to talk with rapport.

The Chairman: I think all of us doing that to an extent. We all have I think contacts with the working press across the country and I think in the community we come from it is fairly well known that we are members of the Senate. It is an interesting suggestion and I think Senator Everett—I am grateful to him for drawing our attention to it.

I have only one more question. On page 7 at the top you say:

"If a major tonal characteristic emerges from these questionnaires it is the strong strain of self criticism they expressed."

I would like to ask you, Mr. Waters—I will ask you and if your colleagues have any opinions they wish to express by all means they may do so—do you think that same strong strain of self-criticism exists in the Canadian Daily Newspaper Publishers Association and with publishers generally, collectively and individually

Mr. Waters: I am working on a rather limited knowledge there. My impression on my very limited knowledge would be no. The self-criticism and the agony would be much greater at the level of the reporter than it would be at the level of the editorial staff.

Miss Fraser: If I might comment.

The Chairman: Please.

Miss Fraser: On my own paper it does exist with my publisher, it really does. We have sessions where we tear apart every issue of the paper and try to find out what was wrong.

Mr. Macdonald: I think by and large it exists on our paper as well. One example where it does not exist—I was doing a rather extensive piece a year ago on the future of the newspapers and communications generally, for the *Star's* one hundredth anniversary issue in fact, and in the course of my research which was fairly extensive I wrote to publisher associations, the head of newspaper chains etc. Of the three or four respondents most were limited to five lines. Most indicated little if any interest on the state of the business and I was really quite sad about that.

Frankly, particularly, with reference to the FP publications it was the most negative letter I ever received. It was rather discouraging to start off my research on that plain, needless to say.

The Chairman: Well, may I on behalf of the committee thank the four of you and perhaps on our behalf you will thank the rest of the membership, Mr. Waters.

I had written down a note or two to express at this time even prior to Senator Everett's comment a moment ago about going

into the field. So I was going to thank you and suggest that there is one obvious benefit already of your organization and that is that it brings working press people like yourselves before a committee like this. Because I do take Senator Everett's point, I think it is very important that this committee has access to the kind of thinking which you and others like you can provide—so we are very grateful

to you. I think it is imperative that the committee gain some insight into the attitudes and the problems of the people who are actually working in the press.

I can only say again, and I am sure I speak on behalf of the committee, that we are grateful to each one of you. Please convey to the membership our appreciation.

The meeting is adjourned.

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Second Session—Twenty-eighth Parliament

1969

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 7

THURSDAY, DECEMBER 18th, 1969

WITNESSES:

The Canadian Council on Rural Development: Dr. Tom Espie, Executive Director; Dr. Helen Abell, Professor of Sociology at the University of Waterloo; Mr. Charles Templeton, Journalist and Broadcaster.

Thomson Newspapers Limited: Mr. John A. Tory, Q.C., General Counsel; Mr. St. Clair McCabe, Executive-President and Managing Director; Miss Margaret L. Hamilton, Vice-President and Publishing Executive.

The Peterborough Examiner and The Prince Albert Herald: Mr. William J. Garner, Publisher and General Manager of the Peterborough Examiner; Mr. J. W. Denhoff, Publisher of the Prince Albert Herald; Mr. Gordon Coleman, Barrister and Solicitor; Miss Margaret L. Hamilton, Vice-President and Publishing Executive, Thomson Newspapers Limited.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien	Petten
Bourque	Prowse
Davey	Smith
Everett	Sparrow
Hays	Welch
Langlois	White
Macdonald (<i>Cape Breton</i>)	Willis
McElman	

(15 MEMBERS)

(Quorum 5)

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

"With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith;

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the Said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith;

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative, on division.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, December 18th, 1969.

(7)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, *Chairman*; Everett, Hays, Macdonald (*Cape Breton*), Prowse and Smith. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Miss Cecile Souchal, Research Assistant; Mr. Yves Fortier, Counsel.

The following witnesses, representing The Canadian Council on Rural Development, were heard:

Dr. Tom Espie, Executive Director

Dr. Helen Abell, Professor of Sociology at the University of Waterloo.

Mr. Charles Templeton, Journalist and Broadcaster.

At 1.00 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Beaubien *Deputy Chairman*, Bourque, Everett, Hays, Macdonald (*Cape Breton*), McElman, Petten, Prowse and Smith. (10)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel; Miss Nicola Kendall, Research Director.

The following witnesses, representing Thomson Newspapers Limited were heard:

Mr. John A. Tory, Q.C., General Counsel

Mr. St. Clair McCabe, Executive Vice-president and Managing Director

Miss Margaret L. Hamilton, Vice-president and Publishing Executive

At 6.15 p.m. the Committee adjourned to 8.00 p.m.

At 8.00 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Macdonald (*Cape Breton*), McElman, Petten, Prowse and Smith. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witnesses, representing the Peterborough Examiner and the Prince Albert Herald, were heard:

Mr. William J. Garner, Publisher and General Manager of the Peterborough Examiner

Mr. J. W. Denhoff, Publisher of the Prince Albert Herald

Mr. Gordon Coleman, Barrister and Solicitor

Miss Margaret L. Hamilton, Vice-president and Publishing Executive, Thomson Newspapers Limited

At 10.05 p.m. the Committee adjourned to Friday, December 19th, 1969, at 10.00 a.m.

ATTEST.

Gerard Lemire,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Thursday, December 18, 1969

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (*Chairman*) in the Chair.

The Chairman: Honourable Senators, if I might call this meeting to order. This morning we are going to receive two presentations.

The one we are about to hear now and another one at 11.30. I indicate the time just so that you will be aware that we will be hearing a brief at 11.30 from Mr. Charles Templeton.

The brief we are about to receive is from the Canadian Council on Rural Development. Sitting on my immediate left is its executive director, Dr. Tom Espie and sitting on his immediate left is Dr. Helen Abell who is a professor of sociology at the University of Waterloo.

If I may say, Dr. Espie, and Dr. Abell, that the brief as we requested has been received three weeks in advance. It has been circulated to the members of the Committee. It has been studied and read by the Senators and we propose now that you may wish to take a few minutes to explain it, expand upon it, review it, summarize it or indeed to say anything else which may be on your mind. Following that we will turn to the Senators who, I am sure, will have some questions for you.

I don't say that you must use the 15 minutes but you are free to do so.

Dr. Tom Espie (Executive director, Canadian Council on Rural Development): Thank you, Mr. Chairman. Honourable Senators, the main purpose of our arrival here is obviously the presentation of the brief which has been in the members' hands or Senators' hands for some time.

However, maybe I could use as you suggest about 10 minutes or so to review some of the points in the brief that we have submitted and to pull them together at this time.

First of all, perhaps a word or two about the Canadian Council on Rural Development which we are presenting here.

The Canadian Council on Rural Development was established in 1965 by the then Minister of Forestry and Rural Development, to act as an advisory body with regard to the formulation of national policy on rural development. The Council continues to serve the Minister of Regional Economic Expansion, The Honourable Jean Marchand in a similar capacity.

There are currently 31 members of the Council from all parts of Canada, either representing associations and organizations active in rural areas or distinguished by specific professional knowledge of rural problems. I think it is fair to say that no other body speaks for so wide a range of rural interests as does the CCRD.

The Council has, in recent years, come to the realization that development in rural Canada can only be premised on the provision of adequate flows of information and the establishment of properly functioning channels of communication. It, therefore, is anxious to ensure that any enquiry likely to have an effect on national policy with regard to the mass media give due weight to the interest of Canadians living in rural areas. In the view of the Canadian Council on Rural Development the present national pre-occupation with economic disparity is an indication of a heightened sense of national capacity and an increased regard for equity.

The establishment of the new Department of Regional Economic Expansion, with the avowed intent of reducing inter-regional economic disparity, is a welcome development. It should reduce this kind of disparity to some extent.

However, in the view of the Council, concern for the economic gaps existing between the various regions of Canada, must not divert attention from the most glaring disparity of all, namely that separating the

income and living standard of rural Canadians from the income and living standard of urban Canadians.

Rural Canadians everywhere are largely missing out on the comfort and conveniences of our new affluent society. The government is cognizant of the economic and social problem in rural areas and has introduced programs of farm consolidation and re-training aimed at ameliorating the situation.

But the overall problems of rural Canadians persist—the problems of small communities living in relative isolation, faced with stubbornly low prices for what they produce, losing many of their best young people year by year to the city. Although programs of government support can help, in the final analysis these communities can only survive by reason of their own determination and their own ability to marshal and organize their own resources.

Of course, it would be possible to affect an amelioration of living conditions of rural Canadians by some extension of our already widescale welfare system. But this in the long run can only be uneconomic and even demeaning.

Rural Canadians have no inclination to become the pensioners of their wealthier urban counter-parts. In the view of the CCRD the answer to the problem of rural Canada can only be sought in programs of social and economic development. Not enhanced welfare programs. The demands on rural Canadians at the present time are onerous indeed. To survive they must increase the efficiency of their production in agriculture or the fishing industry. They must be flexible adjusting to changing markets and to volatile public demands for taste for what they produce.

They must seek out new products and they must learn new skills whether they are to stay in rural areas or move to the city.

They must adapt to new productive processes and new ways of working and new ways of living and they must change their attitudes and change their ways of thinking. Economic development, indeed economic survival of rural Canadians will increasingly depend on their capacity for social change. Here is a policy and a functional role for the mass media—an essential role, a strategic role which the mass media can play in relating social growth and change which has for some years been recognized by development experts in every part of the world and by the United Nations.

I might add there that Dr. Able has worked on such a program, financed by the United Nations, concerned with the establishment of mass media facilities in West Africa. This was part of an overall development effort.

The brief presented to this Committee is a summary or resume of some of the programs in which the mass media have been used as tools of development. Interestingly enough and this is also brought out in our brief, the first pioneer advance in a socially responsible use of the media was made in Canada.

The CBC Farm Radio Forum programs were a brilliantly cultivated step in media use of which this country might rightly be proud.

Unfortunately, this series has been discontinued. However, Canada is still the scene of considerable imaginative media programming, particularly with regard to the needs of the native people. Some account of this excellent work is included in our brief.

The point is that so much more needs to be done. A concern voiced in our brief to the Committee, that a more essential role be assigned to the mass media in Canada's Rural Development effort, has been felt for some time. It has been felt for some time by our Council and it is a concern which we know to be shared by many rural Canadians. We stress in our brief that the mass media performs precisely those functions that we wish them to. As a society we can use the media as we wish.

Two quotations from my report covering a piece of mass media research with which personally was associated a couple of years ago are relative here.

Traditionally television—and this project was concerned with the use of television—traditionally television uses scatter-gun technique. It hits the largest number of viewer by aiming squarely at the centre of the mass. It might be well argued that for the mass media this is the most apt policy. Certainly most people are pleased most of the time with most of the fare offered by television.

In general terms the scatter-gun technique works well; but certain sub-populations miss out because they are too far from that central point of which programs concentrate their aims. The sub-population are inadequately served. The world portrayed on television is not their world. Its problems are not their problems and its news has little bearing on their day to day lives.

Because of this, television, rather than tying them in to the totality of society

some extent, even operates to reinforce and underline their separation and isolation from society. Television in this context ceases to be a tool of socialization and acts rather as part of the mechanism of alienation. I should perhaps add that the point of the question was concerned with measuring the effectiveness of television as a vehicle for raising information in such levels as budgeting, shopping, health, diet and so on amongst the urban poor.

We called this project Operation Gap Stop and it was rather a successful project. One thing clearly demonstrated by Operation Gap Stop is that television does have an alternative available to the scatter-gun approach. True the scatter-gun approach is likely to remain of prime importance to the television industry but the mass public demands such generally acceptable anodines as the Beverly Hillbillies and the Andy Griffiths show.

The television industry will continue to provide these but while at the same time performing its other vital functions of moving mountains of detergents, kitchen cleansers, aspirins, stomach remedies and so on.

There is an alternative of growth, and we call it the rifle technique. Operation Gap Stop can be used to pick out a specific target population and hit it successfully with exactly the kind of material needed in exactly the kind of format preferred.

There are many such specific sub-populations whose real needs are marginally met by the scatter gun technique. The old, the sick, the young and the housewife in this context is the royal poor, along with their particular problems and highly specific information needs.

Also be it noted that there are now 48 positions on the T.V. dial. Does the same mass public have to be assaulted at the same time by 48 scatter guns? This carries communications overkill to the point of absurdity. Surely it is not too much to ask that one of those 48 positions on the T.V. dial be reserved for the poor. Another for the old, another for the housewife and so on.

The central point in the brief presented by the CCRD to this Committee is that we are only partially exploiting the potentialities of the mass media because we are neglecting certain relatively isolated sub-public in particular rural people.

In fact, the mass media insofar as they provide information to a large extent do not function as a mass media at all but they tend

to cater to the special tastes and interests of the more highly educated. The information needs of the less educated are marginally dealt with so those who have ample stores of information and many sources of information available to them are better served by the media than those for whom they are the sole source of information.

This is not only inequitable but socially irresponsible.

The federal government and the media themselves must assign a higher level of priority to special informational needs of the sub-public, thus far to a large extent neglected and disregarded by the media.

This kind of special attention among rural Canadians is in the view of the CCRD particularly pressing. The brief we have submitted is primarily intended to draw attention towards that need.

The Chairman: Thank you very much Dr. Espie.

Dr. Abell do you wish to add anything to that or should we proceed to the questioning?

Dr. Abell: No, I wouldn't add anything to that.

The Chairman: I think perhaps Senator MacDonald will ask the first question this morning.

Senator Macdonald: When you talked about the mass media you seemed to be talking mostly of television and radio. What in your opinion is the function of the newspaper and the press?

The Chairman: I think, Senator MacDonald, some of the press people would like you to repeat that because they couldn't hear you.

Senator Macdonald: I would like to know what in your opinion is the function of the press in regard to what you have been commenting upon or what might be called the social affects of the mass media. You mentioned television and in your brief there is a considerable amount of attention paid to radio programming. Has the newspaper as such a part to play as a tool of development in rural Canada?

Dr. Abell: I would like to try and answer that. I worked for 11 years as a civil servant in Ottawa. In fact, I was hoping that you were going to be meeting in the Senate Building so I could look out the window at my old office.

What I wanted to say is that back in 1951, we had a study in Alberta where we looked at a great variety of variables including how farm people learn, where do they get information to do with agriculture per se, to do with homemaking and so on. I repeated these sorts of questions and studies in different parts of Canada over the years; a study which we did in Ontario in 1959 we are repeating now. We find the greatest main source of information has been traditionally the press but specifically the farm press. The farm press is the one and those of you who know the rural areas know that when the Family Herald died a tradition died in rural Canada.

There are other attempts to fill that gap but the ordinary press, in the sense you know of the daily newspaper, is not the common source of information to the rural poor because first of all they don't get it. When they do get it it is a day old. People's sense of community is rather a narrow concept—where they live and move through. A weekly local paper is much more apt to be read. I am sure you Honourable Senators...

The Chairman: We are also people I can assure you.

Dr. Abell: I am sure you people are familiar with the generally lower average educational levels; so that the type of information, the way it is written all are a fact in the mass media reaching the rural people.

So, my answer to your question would be that they have traditionally relied on the farm press specifically, but the weekly newspaper when it will print government handouts and other handouts also is a source of information.

Senator Macdonald: What about radio—I notice you mentioned that the Radio Farm Forum has been discontinued. Are there other programs taking its place?

Dr. Abell: I wish I were absolutely certain what is currently going on today but I do know that the Farm Forum per se was discontinued in 1965 I believe—in the spring of 1965 as a national thing. But in terms of what took its place—an hour long program was put on by the C.B.C. probably in the same time slot but the format was changed and there was no organized listening group as part of it. They changed completely. One of the fascinating things that came out of that was that in two of the Ontario counties Gray and

Bruce, where this organization had been particularly strong, I was told, and I have been told this by many people, that there were at least 60 of these organized groups that continued after the official program went off the air. The people had gotten into the habit of meeting and discussing what they were going to do about these counties. There was a really strong community spirit—and you know the areas, I think you know what I am talking about.

It performed a very real function. I do believe that MacDonald College at Ste. Anne de Bellevue continued promoting English-speaking forum groups in Quebec for some years and to my knowledge it is still going on but I am not absolutely certain.

Now, these are attempts to keep on a thing that officially was discontinued. I can also add a few words about the introduction of the technique of the Farm Radio Forum in other countries but this would take the rest of the day and unless you want me to I won't go into that.

Senator Macdonald: Would you like to have seen that program continued?

Dr. Abell: Well, personally, I think the germ of it—the seed of it has been sown in Northern Canada—Northern Ontario specifically. The Indian-Eskimo association have a start on this using the same general principle but I don't believe they have the group listening. What I am talking about, you are probably familiar with, where they do have the C.B.C. facility in the North. They do have a small government grant I believe and they are using Eskimo local people to do the broadcasting. They are using tapes and getting a feed-back and this is an attempt to carry on this sort of thing. They don't call it Farm Forum up there but...

Senator Macdonald: That is just for select groups?

Dr. Abell: Yes.

Senator Macdonald: Whereas the Farm Radio program was Canada-wide?

Dr. Abell: National. Personally I think it has a potential need but I think it has to change with the times of course and I think—and I am speaking very personally here—the content wasn't responsive enough for the needs of the people; because the people were sick of hearing the sort of things that I was asked to

speak about and I say that with some feeling. Not sick of it, but there should have been many other things that they were talking about. They should have been talking about marketing instead of production.

Dr. Tom Espie: If I might add to that, Dr. Able. I at one time inquired from a senior officer of the CBC, the reason behind the discontinuing of the series. While in no way repeating the reasons, I was told—I was told that the series had not done the job that it was intended to do. I am not too sure whether that was the most valid reason for the discontinuance. The problems of rural Canadians seem to have multiplied in intensity and in variety since the discontinuance of the program and I would suspect that the need for support from the media and the need for the increased flow of information to rural people has in fact increased since that time.

Senator Macdonald: Do I take it from your brief that you believe that the media has a dual function to perform? Generally speaking you expect that the drift from rural areas to the cities will continue and consequently one function of the media is information for those who remain and the other is to assist those who have moved into the cities to adjust themselves to industrial life?

Dr. Espie: I think these would be two very, very important ways in which the media could assist people in real need. There is no doubt I think that economic pressures, which are currently resulting in a flow of population from rural areas to the cities, and this is a dramatic flow as I think we are all aware, that the same economic pressures will continue for some time; this flow is a fact of life which regretfully to some we will be living with for quite a few years, although eventually, obviously, there must be some equilibrium arrived at.

However, the sheer human distress occasioned by this flow, I think, is not perhaps as well known as it might be. The pressures on families resulting even on the occasion, in broken homes, the sheer bewilderment of rural immigrants to the cities—there are real human problems and finally result in the measure not only in terms of human distress but in hard-nosed economic terms because the rural immigrant to the city will be unhappy, but he will also find trouble in finding work.

There is a real danger that not only himself but his whole family might end up on the welfare rolls. This will be sheerly because, in

many cases, there is a lack of information as to how he can and how his family can mesh into the highly complex urban way of living.

I think that many of us really do not realize exactly how complex is the way of life we have put together in the city. How alien this is for some people in isolated rural areas.

Senator Macdonald: In your brief on page 7 you set out certain objectives which the mass media should perform. Do you think it is possible for them to perform such functions without governmental directions? Is it possible for them to perform these functions through the present set-up and ownership?

Dr. Tom Espie: Senator, with regard to page 7 of the brief there are listed six functions of the mass media. Now, these functions are functions operated out from the operation of the media by a long tradition of sociological research these are the logical functions of which the media are capable.

Now, this is the spectrum as it were of the functions which the media can perform. News is mentioned as one and the drawing together of society and society realizes that it is a totality. These are functions of the media. Now, as to which of these are accented—which particular function in the range are stressed, this would depend entirely upon the way in which any particular society would choose to use the media.

As we well know in Russia the media are used in a very different way to the way in which we use the media in this country. This is the spectrum of the way in which we could use them. I think that government intervention could certainly have an effect on the function of the media in the society. On the other hand even without government intervention the particular genesis of any nation or society are resolved in a particular set of functions peculiar to that society.

Senator Macdonald: I am interested in one part of your remarks where you mentioned that "although programs and government support can help".

The Chairman: Where is this, Senator?

Senator Macdonald: Page 4, "in the final analysis these communities can only survive by dint of their own determination and their ability to marshal and organize their own resources". What happens if they don't have sufficient resources to organize and marshal to keep them going?

Dr. Tom Espie: It is a horrible thought. I think what is mentioned here is that finally, any amount of government help or help from the outside will only be effective if there is a certain minimum of internal resources within any particular community.

Now, there will be communities and we must face this, that rural Canada will be fading out in the next five or ten years. We know this and it is sad and it is tragic; but there are some on the margin I suspect which can be kept alive usefully, economically, and productively with some degree of government intervention.

The resources do have to be there in the community.

The Chairman: I was going to ask Dr. Abell a question. Would you care to comment—and it is such a broad question—it is one of these questions that you could spend all afternoon on but fortunately we just can't do that. Would you care to comment, as related to the people in your organization, on the role and the function and the service provided by the weekly newspaper across the country, and particularly newspapers which serve rural communities. Are they helping to meet these problems you describe here?

Dr. Abell: Well, I cannot speak with authority on this. All I can say is that people get a great variety of news from a great variety of sources such as the farm press.

The Chairman: Well, that was going to be my next question. I was going to ask you about the farm press but I purposely asked you about the weeklies first.

Dr. Abell: Well, they get the weekly but what they read in the weekly is another thing.

The Chairman: What do you think of the weeklies?

Dr. Abell: Well, I used to read the *Stouffville Tribune* when my family lived there and I knew who had tea with whom and I occasionally saw something broader than local concern; but local concern was what the local people wanted and if they wanted national concern they would turn on the radio news.

They had a variety of ways of getting information but this is a small town near Toronto. This was different from some place in an isolated community, because they had these facilities.

The Chairman: Well, let us talk about the farm press. What do you think of the farm press in Canada today?

Dr. Abell: Well, I am speaking as a world sociologist, a person who looks after poor people and their point of view and not the point of view of the press but the user's point of view...

The Chairman: That is exactly what we want.

Dr. Abell: It is an important part of life, where homes at a very low income level traditionally were able to get one or another of the publications; and the one I mentioned, which is unfortunately dead and buried, was the commonest at that time. But there are a few others that come. Most of them are from associations or special interest groups, as you probably know. We know they are read and we know that by asking people "What do you read, what do you find out what is helpful to you and what else do you want?"

About my only summary comment on farm press would be that people will read this material as long as it meets their needs. What they look for are things that will help them in the business, the economics of farming. They want new information, they want market price, all this sort of thing.

Farm press no longer meets that need because they can receive it instantaneously every day at noon but they do want an understanding of what is going on. Where do you find out what is going on? Why in the world are people starving and we have wheat we can't sell? These are the questions that the people are asking.

The Chairman: Dr. Abell, I know that the Senator has some questions but I would just like to ask one more if I may. I happen to know, as we discussed earlier, that you spend a large part of every summer on Prince Edward Island and I wanted to ask you what do you think of the media which serves Prince Edward Island?

Dr. Abell: What do I think of the media. Well, I go there as a Canadian enjoying a rest and I rely on radio for news. I deliberately don't have television and yet the neighbours do. The CBC as far as I know is the only television that they can receive. In other words they don't get American stations—they don't pick it up. So you, in effect, have a captive audience; but I frankly have a high

opinion of most CBC programming. I am saying that as a citizen because I think we have some excellent material and the Islanders do see this. You have tied the Islanders, just through hockey games if nothing else, to television.

The Chairman: What about the newspapers, do you read them?

Dr. Abell: Yes, I do. I make it my business to look at them but I can only look at them from the point of view from a professional centered in Ontario. So I don't have the same interest in them as a person and I don't want to go on record saying what I think should be done to correct the newspapers down there.

The Chairman: Why not, why don't you want to go on record?

Dr. Abell: Because I haven't studied it thoroughly enough and as a sociologist I should have figures down to the decimal point. What I really am saying is don't think basically the public in Prince Edward Island is informed. I know they are not informed about what ways in two years, hundreds of thousands of dollars were spent on the so-called development plan. There was no public participation in that and even people who belonged on the local committee weren't informed of what was going on. The man who was in charge has since gone but his name was used—a chap by the name of Gallagher, I believe. But I use this in a roundabout way of answering a question, sir, because I think the media could and should have a responsibility for letting people—in this case of the Island—know exactly what was being done and planned in terms of so-called economic development. I don't think the planning should be done in secret. I think the press could have had far more coverage of the pros, the cons and what is going on, a feedback if you will...

The Chairman: Are you talking about the newspapers or the press generally?

Dr. Abell: Of the whole media. It could have done on radio, television, and certainly in the press. I feel rather strongly about this because we do have information on the lack of this application of participatory democracy, which is a great word but it is pretty tough to apply, but it can be done and the media are one way of doing it.

We should let people know what is being planned and the press can do this.

Senator Prowse: Why wasn't it done? Was it because the media refused to carry any information or because the people who were conducting the surveys quietly conducted their survey and never told anybody?

Dr. Abell: Well, here again, I only have a personal knowledge of this—no real knowledge I suppose—secondhand information but the latter point is true they didn't want the news out.

Senator Prowse: So it is not the media's fault?

Dr. Abell: Well, I think that it probably isn't but I would say that a good radio man, a good television man or a good newspaper man gets the news.

Senator Prowse: If there is enough staff.

Dr. Abell: Well, if there is enough staff and he is devoted enough.

The Chairman: Dr. Abell, I am not trying to put you on the record having you say things you don't want to say so please answer as you will. You did say a few minutes ago that you thought that the people on the Island are not well-informed. Would you care to expand on that?

Dr. Abell: Well, not well-informed in the sense that are they aware of the alternatives that exist for them in the case of, we will say, "The causeway". The alternatives for example, if a causeway could be built and possibly some day it will be, how this fact will change their lives. I don't think they really understand this because the minute you make the Island more accessible, naturally tourism will increase, naturally people will demand a different pace of life, they will demand better food, more and better restaurants, more liquor outlets and all of the things that modern life demands.

The Chairman: All of the great benefits of the cities?

Dr. Abell: Yes. I have a feeling, and I am saying this with more emotion than logic, that the Islanders themselves basically are fearful of change. Yet they know things have to be done and they are not really being given the free and open sort of information about alternatives, which would help them to realize that if large outside interests buy up large amounts of land and go into large scale vertically integrated production, this in turn is

going to put a lot of independent farmers out of business. This may be good or bad but at least the people should know that this is a possibility.

I don't think they realize what will happen when urbanization, heaven forbid, really hits that Island or any other isolated place—what this means in terms of cost, cost to taxes, what urbanization means in terms of increasing the inner structure, buildings that go up, the sewage plants and water and all of the things that are part of the planning process.

I think the media can, and by media I mean the press, radio and television and one of the best we have in Canada the National Film Board which hasn't been mentioned. The National Film Board has done a fantastic amount of good of development in this country. I personally hope that it doesn't go by the board. In case you are interested, as a university professor, I use NFB films because we have many excellent ones.

Sometimes we have to wait two and three months because they haven't got the staff to send them out. I think this just body should be aware of this. I am speaking from the user's point of view. If you want to get a feeling for rural people there is a recent NFB film called "Wilf"—it is a man's name and I showed it to a bunch of sophisticated urban students and half of them were men and they were really affected.

Now, what am I saying about Prince Edward Island? I am saying that I don't think that the Islanders, as I understand he or she, really understands the economic and social forces that are at play. I think part of the reason is that it needs to be out in the open and I think this is where the mass media has a responsibility.

I am talking about the press, I am talking about radio and I am talking about television.

The Chairman: Thank you. You were talking about people who understand rural Canada. I think one of the Senators on our Committee understands rural Canada, Senator Hays and I believe he is next. Oh, I am sorry, Senator MacDonald.

Senator Macdonald: Apart from minority groups being neglected, you talk about rural Canada. Do they not nowadays have practically the same advantages as those people living in the city?

Dr. Abell: Well, here again it depends on which part of Canada you are talking about.

There has been of course a great surge in educational facilities offered. With the minority groups, the isolated groups, one of the problems is no matter how good the facilities are, that are offered in terms of school buildings, courses, teachers and this sort of thing, sir, that the attitude of the parents is—well, that is another world, that is not for me.

You as a Metis or an Indian or any one of the people who are in this minority category, and even if you do go through this school system there is nothing at the other end of it. There is no job for you, there is no opportunity. You do go through say a regional school system but where do you go from there? How do you get a job? These are some of the real problems.

Senator Macdonald: Well, these are special problems but I was talking apart from those.

Dr. Abell: Yes, in general, educational levels are rising and we are one of the few countries in the world with free and compulsory education at the elementary and secondary level but many of our people don't realize that means free and compulsory for the student and not the taxpayer. At least, the possibility is there and I have evidence of this as does anyone who studies Canadian society. We all do by simply looking at the census figure which shows these increases.

Senator Hays: Dr. Able, you speak of poor people in the rural areas. If they are poor I suppose the problems are economic. In your opinion, what information are we not getting to these people in so far as economics is concerned, that may be available?

Dr. Abell: Well, I think it is the same old story. If, for instance apart from the media, if you assume that Canadians belong to a variety of organizations, as I am sure everyone in this room does—you know if I sat down and did a little survey, for example, as to what groups you belong to, you would name service groups of one sort or another. I don't know if Senators belong to the Rotary Club but many adult Canadian males belong to service clubs and alliances and this sort of thing. If you are a rural person you might belong to the Federation of Agriculture or the Farmers Union and there are many others.

The Chairman: Political parties?

Dr. Abell: Oh, I have never heard of those. But, at any rate, presumably because of your

special interest you belong to various groups and because of your race and religion you belong to certain church organizations as well as the rest of us.

One thing that has been documented in this country, in the United States and all over and Europe, of course, is that the poor, the economically poor do not tend to belong to organizations because this is a middle class and upper class phenomenon. It is not characteristic of the lower income level.

Senator Prowse: Nobody asks them to join?

Dr. Abell: This is one very real fact. Also I don't know how a man feels about it but if you didn't have the right clothes to wear would you go? It is certainly true of women and I assume it operates the same way with men.

When you say: "why don't they know about programs", one reason is they don't have the same channels of communication in the interpersonal sense. Another is, in spite of my comment on the use of the farm press and the national mass media, not every rural person or every urban person is capable of understanding the reading level even of the ordinary newspaper. It is a problem when you look at educational levels. For instance, look at the educational levels of the Metis and the Indians. At what reading level are these people—at grade two, three, four,—this is a real problem.

Of course, it costs money to even buy a weekly newspaper. These are all facts of life but I must tell you that one way that rural people certainly are being reached is television. I did some interviewing recently and I have for years in various parts and I was in a very low income area of this province, not more than 50 miles from here, incidentally, and I was trying to find my way. I had an interview at a certain home which was a farm home and I had to knock at different doors to ask if I was on the right road. I stopped at at least four different homes and they were all what would be described as rural slums. They had all the attributes of a slum, the house falling down, the broken-down cars, machinery, all of these things which would indicate a very low level of income. In every case I had to knock many, many times and always on the side door, never the front door and why? Because of the noise of the television.

In one case it was an elderly man and the other cases there were women in the home

glued to the television set and this was during the morning. Now, what am I saying? They can be reached, but what were they looking at and what were they listening to? They were looking at something that gave them entertainment...

Senator Prowse: They were probably watching "As The World Turns"?

Dr. Abell: Yes, that would probably be one. I am not saying that that is good, bad or indifferent but I am saying it is a fact. They are looking at it. They can be reached but they are not being reached with something of an educational or helpful nature but that doesn't mean it has to be dull.

Senator Hays: Are we not getting through to these people that which would make them better off? Let me explain for a moment. You take Hutterite families who have no newspapers, no weeklies, no radio, no television but they are the best farmers in Canada.

Dr. Abell: No question about it.

Senator Hays: And the most wealthy.

Dr. Abell: Yes.

Senator Hays: They have this information...

Dr. Abell: I don't consider them poor, do you?

Senator Hays: No, but they use the tools that are available. If you go to a research station you will see them there more than anybody else. If there is a good farmer in the neighbourhood, they are there all the time. If he is growing a new variety of wheat, they are there all the time. This is the sort of information it seems to me you have to give these people. How do you get this information to these people in your opinion?

Senator Prowse: Through motivation.

Dr. Abell: Yes, motivation—I think you have hit on a very important group of people—the Hutterites. We have a group of people at Bright, Ontario, which are similar to Hutterites but they call themselves the Brothers of Early Christianity—I am sorry I can't remember the exact name but I take grad students there every year. The reason I am familiar with this is that I have been in Alberta, in fact, I was born there and my family made a horrible mistake, they brought me to Ontario at a tender age but anyway,

the Alberta situation of the Hutterite colony I am slightly familiar with.

The difference there is that religious beliefs not the agricultural fundamentals compel those people to the land. It doesn't say we should be excellent farmers. They do adopt new technology, but socially, they have their own rigid set of ways of behaving and family relationship but that doesn't mean they are not good farmers.

I don't consider them poor in any sense because their own self-satisfaction isn't based on money.

The Chairman: I think perhaps the point that Senator Hays was making, Dr. Able, if I understood his point, was that these people have attained this degree of success if you will without any access to the media at all.

Dr. Abell: Yes, in this case I agree with you. They deliberately do not want access to the media. That in turn introduces new ideas, new aspirations, changes, to the young.

Senator Hays: They have all the new ideas. I think they have sex because I have never seen so many children.

Dr. Abell: Well, Senator, you don't learn about this from reading the paper.

Senator Hays: There is no cost-price squeeze for these people. They use all their own logic that is available and to visit them is an education. They are not poor.

Dr. Abell: I agree with you, Senator.

Senator Hays: Their basic education is only grade 9 and they don't go to school any longer than this.

Dr. Abell: Yes.

Senator Hays: But how do we communicate this sort of information to the people? How do we communicate this type of information to the other Canadian farmers? They are not using the right tools that are available and these are available to them. If they use them they do well, if they don't use them they fail.

The Chairman: Perhaps I could sum up this question by saying if the Hutterites can do this why can't other farmers?

Dr. Abell: One reason goes back I think to the motivation. Why is a Hutterite a Hutterite? Socialization process is what keeps them as a colony and a group? They want to be good farmers because this is being close to

God amongst other things. There is a strong motivation and reasons for being what you are.

Most other Canadian farmers are farmers with very few exceptions because their fathers were farmers. It wasn't a free choice.

Senator Prowse: That is why the Hutterites are farmers as well.

Dr. Abell: Yes. A Hutterite doesn't question this. Today's young man is questioning it. That is one of the reasons for the flow from the farm to the city. The traditional attitude that you have to stay on the farm, no matter what, because this is your duty, this attitude is changing. It is changing drastically. You are saying—how do you reach the people, who are still on farms and who are poor by any standard if you take the twenty-five hundred dollars more or less or whatever. How do you reach them? I don't think you reach them with pleas to become better farmers. I think you reach them with information that maybe there is no future for you as a farmer. Maybe there is a future for you as a hired man. That is a dirty word in this country.

Try to get a farmer, an employer of other farmers to even talk about the possibility of organizing farm labour and paying them a decent wage. I tried it for years and if I weren't a woman I would have probably had tomatoes thrown at me by farmers groups right across this country.

Some of those people, who are struggling on small farms as entrepreneurs, cannot see it. They haven't the capital, they haven't the knowledge, they haven't the motivation, they haven't the help and they would be far better off working at something they know on a paid basis, which is where I see them as a potential farm labour force. This is one of the ways in which they can be helped. Not by trying to make every farm an economic, self-sufficient unit because that cannot be today.

Senator Hays: You are still not answering my question.

Dr. Abell: I am sorry.

Senator Hays: This information—I am thinking about the mass media—this information should be getting to agriculturists; they are not receiving it. There is a great vacuum today and there are not many farm newspapers. When we do read, we read cultural things and that sort of thing but nobody is telling the farmer, that if you grow

Manitou wheat, instead of Thatcher you are going to make another \$15 an acre. If you grow Grizzly oats instead of some of the old fashioned variety like Banner you are going to get another 50 bushels. If you use this much fertilizer, this is \$50 an acre. This is the information that it seems to me we are not getting over. I am wondering in your opinion, how do we get this information to the farmers of which they are just completely ignorant?

Dr. Abell: I would say that there is something drastically wrong with the agricultural extension services and as you say farmers don't know some of the very important things you just mentioned.

What is wrong with the large number of men that we have in every province. To my knowledge they are called Ag Reps or agents or whatever depending on where you are?

First of all, these are the men that we as tax payers support to transmit the very information you are talking about to farmers but they traditionally have worked only with certain farmers.

Senator Prowse: The ones that come to see him?

Dr. Abell: Exactly. The low income group.

Senator Macdonald: That doesn't always necessarily follow.

Dr. Abell: You feel that some men are making the effort?

Senator Macdonald: I know some of the agricultural representatives really go out and work amongst farmers all the time.

Dr. Abell: Well, this is what I think they should do, sir. I think we all agree that this is their role.

Senator Hays: Do you think that for instance, T.V. and radio are monopolies. If you get a licence and you are able to carry it on, economically you are not going to have a problem if there are not too many licences given. Do you think that where we say there must be so much Canadian content to reach these people, should we also say that as well as Canadian content there must be more time for say, agriculture or the very things that you are speaking about? Do you think regulations would be the answer?

Dr. Abell: I think that the possibility is here. The potential is there. You talk about

Canadian content—I understand you could bring a program from New Zealand or Australia, put it on the air and this is called Canadian content. I may be wrong but that is my belief.

The Chairman: Yes, and also the world series.

Dr. Abell: Well, you are saying if I understand you, sir, should some of this so-called public time, time that is not used to sell...

Senator Hays: Or additional time.

Dr. Abell: Or additional time. Should this be devoted to specific purposes and I am saying that that is exactly what our brief tries to say.

Senator Hays: You feel that radio or television as a term of their licence be required to have so many hours a week devoted or assigned to agriculture. We are talking about poor rural people, aren't we?

Dr. Abell: Yes.

Senator Hays: They are all agriculturists.

Dr. Abell: And fishermen.

Senator Hays: Well, do you think that this is a possibility?

Dr. Abell: Well, I think it is a possibility. I think it should be looked at seriously because the content of the program is the whole thing. Rules and regulations could be passed but unless the spirit of really getting meaningful information in a meaningful way is present, it would just be dead time. Because people wouldn't listen. If it were dull at the beginning they would just turn it off.

If you had a high quality type of program with some vitality in it, something that is meaningful and related to the people—remembering the income and the educational levels that we are talking about—and involve some of them in these programs—the National Film Board does this all the time—I think it could be helpful.

This is very much like the experience I had when I was asked to evaluate the introduction of Farm Radio Forum in Ghana, in Africa. Out of 20 programs, every fourth program was what was called a feedback, chiefs, women, men from far away—some of them who had never been to the capital, were brought in and were used on live programs. The people in the villages—and we were out

studying the reactions—were just thrilled to the core. It was real, it was meaningful, it was our people and you reacted to what was going on. It wasn't just a lot of people who weren't—I am not able to find the right words, I feel so strongly about it.

I don't think it can be, for instance, a man like this handsome character sitting here talking to the world people. I don't think they would relate to Mr. Templeton.

The Chairman: Do you mean Mr. Spears or Mr. Templeton?

Dr. Abell: Well, isn't that Mr. Templeton?

Senator Smith: But the other one is Mr. Spears.

Dr. Abell: Well, they are both handsome. I don't mean this in any negative sense at all but I mean that the kind of people we are concerned about, if you will, the world poor, the Indians and the Metis will be much more apt to react if for instance Mr. Templeton had with him one or two of the same people that we are trying to reach. It would be on some sort of an interview program where the program took place in their home, this sort of thing. It becomes real and meaningful. That is why I stress so much that you can pass all the rules and regulations you want, but unless the people responsible for running those programs, operating those stations and getting those licences do so in enlightened self-interest—not just you know humanitarianism on cloud nine, enlightened self-interest you will not have good programs.

Senator Hays: Well, Dr. Able, four good cows will produce \$2,500. Now, in Japan the average farm is only two and a half acres and these people are self-sustaining. So this old \$2,500 is just a miss as far as I am concerned because I just don't believe it. Four good cows will produce \$2,500 at today's depressed prices. Now, a man will get his four cows on 50 acres but he isn't doing a very good job, is he?

Dr. Abell: Well, many of these people seek part-time employment. This is one of the phenomena of how these people try to meet this. You can't get it through government transfer payments...

Senator Hays: Well, he is a part-time worker, not a farmer.

Dr. Abell: Well, you are a fundamentalist. According to the census if he sells...

Senator Hays: Oh, that is a lot of bunk. I just don't believe that.

Senator Smith: I would just like to ask Dr. Able or Dr. Espie a question on the very points that Senator Hays has just brought up. How can you relate that a little farmer who only has four cows on 50 acres is that bad of a farmer? How can you relate that to the lack of access to the communications media in general.

Now, let's leave the native people aside because they are a special problem and they don't enter into this generalized picture. How can that be related to the lack of access to the news media, to the kind of program which is available to them through local radio station and through certain other television programs. There are all kinds of great farm publications and weekly newspapers. In this modern day and age, surely with to-day's educational programs, the rural kids, who are being brought into the consolidated high schools, are getting special education in farming and in fishing. So how can you relate this to the situation that he is talking about.

I am concerned as well with the low income fishermen in my province, Nova Scotia. If you would care to comment on that.

Dr. Abell: Well, it is a very good question so why don't we have Dr. Espie handle that one.

Dr. Espie: I was going to sort of weasel a little bit there and I was going to reply some what about what Senator Hays just said. Mentioning for example the situation in Japan. Very small acreages do in fact sustain large families and very successfully. It may or may not be significant but the Radio Farm Forum programs which were originated in Canada were transplanted to Japan and continued in Japan in a television contest. As Dr. Able is aware, because as a United Nations project this has also been done in Ghana, the Japanese experience from the farm forum was very, very successful. It is known to have acted as a vitalizing force in rural areas.

I think it would probably have been a significant role in assuring that in a Japanese context these minute farms are capable of sustaining large farm families.

We, for one reason or another dropped the particular series. The facilities are there for everybody—in a sense we can say that the facilities to become a millionaire are available in our economy for everybody. This is true. It is possible, or logically possible, for anybody

to become an Onassis; and in the same way, it is perfectly feasible for anybody given the means and the communication facilities we do have that are available to everybody, to seek out that information and to become a very successful farmer.

Too many of those are not particularly adept at seeking out information and they don't get that extra little push which might be given them by a judicious combination of the Ag Rep with the fishery oriented program. I think this may be the way to success here. This has been done by the U.N. and the problem has been, in peasant agriculture, to somehow motivate the peasant agriculturist or fishermen. To somehow tell them that you can grow Mexican dwarf wheat and it works and this has happened in India. T.V. and radio have been very successful spreading the notion of this successful wheat.

Now, India is finally self-supporting in terms of wheat, so I think the right kind of mix, the real push in an Ag Rep's direction can do the trick and has done it in quite a few areas in the developing country. It is an extraordinary thing that India's grain production has zoomed to the extent that, being a country subject to frequent famine and vicious famine, they are now approaching the point to be able to support grain.

Senator Hays: Well, getting back to the mass media program, the programs that most of the farmers see are showing the poor farmer. You don't show the good farmer. You ever say, well here is a man that is making success of this; but it seems to me that that type of program is an important part because people learn a great deal more if they can see—and I go back to the Hutterites again. You are a neighbour of a Hutterite and you grow 130 bushels to the acre, every other Hutterite within 300 miles is there to see it. The first thing you know he is trying to get some seed and so on and this is the way he operates. What they do in real life, I just don't know. It seems to me there is a place for programming and getting it through to these people, rather than all of us talking about the poor fellow who is only earning \$2,500. I must go back—that is only four steers, you know—\$2,500. The farmer who can't grow four steers is not a farmer.

It seems to me that instead of always showing the poor, let us show some of the successful people in this sort of programming. It gets across to these people.

Dr. Abell: Yes, I think you are onto the point that I was trying to make earlier. You need to change aspiration levels and obviously people have to want it or else they are not going to change. They have to want something and their aspirational level has to be something that they can see is manageable within their limitations.

In other words you couldn't show and expect a real change if you showed the biggest and most prosperous farm in Alberta—I have been on some of these, as I have in Ontario and other places—because it has to be something in the nature of a progression.

I would think you would destroy the very thing you are after if you showed an extreme type of operation—a quarter of a million dollar capital investment and this sort of thing. I think you reasonably could show different levels, that is really my only point here. In terms of another very relevant point you just made, people like to see. In this early Alberta study that I referred to, when we looked at how people do learn in terms of farming information, the most common one was from other people. It turned out to be the wife. Now, she wasn't born knowing all this but she in turn had access to radio during the day and she read more. Her educational level in general as you know, was a year and a half or two more years in school, which means she has a greater facility with language. That was the way most people said they got their information.

They got their information by talking to somebody, usually a relative and in most cases the wife but she in turn got it from somewhere else.

The next most common method of course, was mass media and this was radio and farm press in the days when we did that study, which was before you were born, way back in 1951.

Senator Hays: Thank you very much.

Dr. Abell: You are welcome. The third most common way was the one you just talked about which was observation—where people went and looked. You didn't ask, you looked. You looked over the fence, you went to the experimental stations. But not many people bothered going to the experimental stations because it is the smaller groups that do that.

Many—about 28 per cent was the figure—of the people would come to meetings—the Ag Rep would call the meeting and they would

come. Now the people that visited the meetings did all these other things, it is what we call a scale and you are pretty familiar with that term. If you did this, you did all the other three steps. The very people you were trying to reach would never go beyond the first step.

In other words, you would talk to somebody locally who may not be a very good source of information but he may. This is very chancey—but they don't make the effort to seek it in other ways.

Your point, you know, about what mass media can do about the very poor—first of all, apart from inspiration and changing aspirations and this sort of thing—just straight information giving. We have knowledge from studies that have been done that a great many people, in fact, the vast majority, haven't got a clue of what ARDA is all about.

Senator Prowse: They believe it is a girl's name?

Dr. Abell: Yes, it would make a good name. My point here being that there are certain government programs with potential to help some of these people, to be aware of their potential. Now, this is an information service simply making it clear that a program exists, this is how it works and this is what it is all about. I see the media playing a very important role there but not the only role because there has to be the personal contact.

The Chairman: I would hope that we could conclude this session in about 10 minutes so that we might adjourn for five or ten minutes to give the reporter a break and come back at 11.30. So with that in mind, I am wondering if you could organize yourselves for your final questioning.

Senator Prowse: When you are talking about the media, Dr. Espie, you talked about 48 channels on the television.

Dr. Espie: Yes.

Senator Prowse: Now, the people we are talking about don't have sets equipped with UFC. How many UFC sets are there in Canada?

Dr. Espie: Yes, I realize that.

Senator Prowse: So that what we have is 12 or 13 channels. They are all taken up within limits right now and even if you made one of them available from the CBC and if "As The

World Turns" happens to be on the other one, which one are they going to watch?

Dr. Espie: Well, may I just react to that. Again, talking of 48 channels this is a potential obviously because this is not the situation we have. But right now we still have more and more stops on the dial and I think that most rural people have T.V. I don't think they can go from 1 to 13 and get a different program on each because it is just not available.

You say, very, very validly if you have a soap opera on the other channel they will not listen to a rather high level documentary on how to produce better wheat. What do you do? You do what I think—in fact I was involved in doing it—and that is produce a soap opera which contains that particular information. I think the point here is government information efforts generally are conceived in terms of additional ways of issuing information to the public which are brochures, which are releases. If you are stalking any particular beast you learn its habits, the way it eats, the way it lives but if the population you are concerned with, happens to be like soap operas, well, you are in the soap opera business if you want them to get your information.

You can ram particularly good information into a soap opera. It is an excellent vehicle for transferring this information, it does work.

Senator Prowse: Well, it is going to cost \$1,000 a minute to produce the kind of program you are talking about.

Dr. Espie: Oh, I have my doubts.

Senator Prowse: Well, I am not talking of the side of my ear. I am saying that this information that is absolutely sound at which you will find out is correct. This is the average cost of producing a useful documentary and a soap opera with actors and everything else which you are going to have going to cost a heck of a lot more.

Dr. Espie: Yes.

Senator Prowse: Now, from a practical point of view you are talking about spending enough money to improve these people but it may not work.

From a practical point of view—the Indians and Eskimo people were in here yesterday and they were suggesting that ten to twenty thousand dollars could provide low cost transmitters to the communities you are talking

about. They could bring their people in and the Ag Rep could make use of it. Don't you think then rather than trying to do things which nobody is going to do i.e. insist that so much newspaper space be given to printing stuff that people aren't going to be able to read because the people for whom it is printed don't get their paper; or insist that very expensive radio and T.V. national time be dedicated to something which isn't going to bring in a cent and probably isn't going to be watched, we could do, for a fraction of the cost, something which is similar to the set up in India.

In other words to set up in a community, a way in which these people can talk among themselves with a little bit of assistance from the people who are already there in their own language. Don't you think this might be a more effective way of reaching them than trying to use an ideal situation which isn't going to work for practical reasons?

Mr. Espie: Well, I think, Senator, first of all, our brief does in fact say this is the way it should be done, for example with a complete network. Any innovated way of exploring potential of the mass media in the development context I think is certainly worthwhile doing.

I think precisely what you say the native people have done, I would like to see more of. I think it is an excellent idea and I would thoroughly endorse what you say. I think this is an excellent way of doing it—the community itself using its own station with its own resources. As you remember we do say in our brief that people of these communities are dependent on other resources and if they can be given a little bit of help to have their own station, with their own programs, with its own unique flavour, by golly they will listen to that. They will listen to that very much more readily than something that is nationally or mass produced.

Senator Prowse: Then we can sneak in some of the extra information.

Dr. Espie: Yes.

Senator Prowse: Well, for example, if you continue the Farm Forum you are not suggesting that we wouldn't have the same problems that we are talking about today?

Dr. Espie: No.

Senator Prowse: You would have a useful and interesting program but you wouldn't be solving the problem.

Dr. Abell: It might.

Senator Prowse: Well, it might have made it a little less.

Dr. Abell: It might have presented alternatives in terms of occupation other than the agricultural fundamentalism approach. It might have been able to get people to realistically talk to one another about the possibility of moving off the farm or staying on the farm as a chief secure living place and renting out the land and moving into part-time work to increase this.

Now, I know Senator Hays says they are not real farmers but they are real people.

Senator Prowse: Well, may I ask you one more question. Would you say that basically our problem in this area is a problem of motivation?

Dr. Espie: Yes. I think...

Senator Prowse: First of all, you can get the other things if they are motivated. Isn't this true?

Dr. Espie: I would say a very loud yes and I think Senator Hay's Hutterites are distinguished by the fact that they are internally or specially motivated because they have some special vitamin in their souls that could be working for them in this regard. Most people, most agricultural people are not so fortunate and they perhaps need a little bit of a push to get that motivation. They may need a little bit of a push to get that internal dynamic something.

I think we have in the media the tools to produce that internal motivation and that heightened aspiration that Dr. Able was talking about. As long as the aspirations are not way out of their prospectus.

Senator Prowse: In other words you hitch your wagon to the fence post and you pull yourself out of the mud hole but if you hitch it to a star you are going to be in the same place for a heck of a long time.

Dr. Espie: Aptly put.

Dr. Abell: There was a relevant bit of information on this aspiration aspect. On the study I refer to that we did in Ontario in 1959 at the request of the Ontario Department of

Agriculture when I was a federal civil servant—it was a joint effort—we looked at the aspirations that parents had for their children and we looked at the aspirations that the children had—the children who were still living at home. We then looked at what actually had happened to the older brothers and sisters who were out of the home. This has all been summed up in a few paragraphs talking about occupational reality instead of aspirations.

The thing that was absolutely amazing was the aspiration level—in other words this is the parent speaking—we want Johnny to be a senator, lawyer, merchant, doctor, chief—high professional aspirations and the same with the girl. We then looked at what was actually the occupation of the older children in the same family—nobody ever wanted to be a clerk but an awful lot of the women were clerks. A lot of the boys were driving trucks and this was the limitation of educational opportunity which has changed over the years as one of the gentlemen pointed out.

I am analysing data right now which is tracing those same families over the nine years to see what has happened.

Now, to what extent has that aspiration level that everyone wanted them to—certainly some of them said they wanted them to farm and this was really a major finding...

Senator Prowse: That was after the depression as well?

Dr. Abell: Yes. This was in 1959 and we had gone through all of the depression, the war and the bit. Are these aspirations, whether they be high or not, shared by the low income fraction; this I doubt very much. I don't think they feel this way. They feel, well, we can't do that, that isn't for us. If those aspirational levels can be changed at least you aim high, you may not get there but you are at least going that way rather than accept as gospel that nothing can be done, nothing can change, why doesn't the government give me something.

This to me is a tragic thing in a democratic country like ours where the people reach the state of mind where there are no opportunities, where there is no hope, and I hope I am not being too pessimistic, but I think we are destroying one of the strongest parts of the Canadian character.

When we destroy the aspiration to prove oneself we are destroying the basic character. Quite often it is measured with a dollar but

the dollar in turn reflects our value to society—that we are paid for certain products, if you will, from the farm, for our skills or whatever.

The Chairman: Thank you. I just have one last question—Senator MacDonald, do you have a question?

Senator Macdonald: Yes. On page 10 of your brief I notice in the third line down, there is a timely reference to members of the Company of Young Canadians. In view of the fact that you are the first witness to mention this I wonder if you might expand on what you mean?

Senator Prowse: What does that have to do with the media?

The Chairman: Well, I think we will accept the question. Your point is well taken, Senator Prowse, but if Senator MacDonald is interested in the answer, I think we all are.

Dr. Espie: I think our knowledge of this problem is just about limited to what we say here. Far be it from me to make any comment on the Company of Young Canadians at this time or at this situation.

However, what I have heard regarding this particular project has been nothing but good. Although, I don't think they have been as successful as I think they could have been or would like to have been, I think the project was staffed by two or three young fellows who were really out to do a very good job. From what I hear and from what I have learned, they have gone some way to producing the kind of things needed and should be congratulated on doing so.

The Chairman: Perhaps as a last question, could ask you this, Dr. Espie. Yesterday when some of the groups were here representing the Indian and Eskimo and Metis they expressed some concern about television portraying into poverty stricken homes degrees of affluence which might be regarded by those people as the accepted norm. They considered this quite a problem, do you think this is a problem? Dr. Able mentioned going to the homes at 10 o'clock in the morning and finding that they are watching the television set. Is this a problem that they see the false standards of affluence on those television programs?

Dr. Abell: Yes, I agree 100 per cent with this. As I told you I am a great user

National Film Board films for teaching purposes to share Canadian knowledge with students who are relatively young in the third, fourth years of university. One shot that I shall never forget showed people in an extremely well kept kitchen, a husband and wife and someone talking to them; this was a kitchen that I would assume you people would be able to have in your homes as would most professional people—but not the majority of Canadians—and yet this was presumably a poor home. Now, this was one of the few faults that I would find with that particular film. I think this is found all the time on radio and television. I think Dr. Espie made reference to the Beverly Hillbillies as something that at first—well it is still very popular I guess but this is the extreme, the wishful dream you know that we are going to strike it rich that we are going to live in a mansion. This is one of the points that I think is important—realistic programming, showing in degrees what it is really like in the city. Go down to Kensington in Toronto and look around and you will see. You have nice little homes and well kept. It is not a slum. That is much more within the limit of the income range. They are full of Portuguese at the moment as you probably know and they have cleaned them up and they are nice looking little homes. They could have been slums.

Dr. Espie: Yes, I think this is a bad danger. I think that even in our presentation we mentioned for example, the alternative to the scatter-gun approach which is a rifle approach.

If you program in terms of a scatter-gun and you advertise in terms of a scatter gun you will be hitting very poor families with very well designed motivations to go out and buy themselves or acquire in one way or another a cadillac, holidays in the Bahamas, etc. which they can never ever do. Finally they end up breaking a shop window or walking off with a coloured television. I would rather suspect that a detailed analysis of the total motivation behind the urban riots in the States would show this. I think you can't go on motivating someone to buy a coloured T.V. and say you can never ever have one.

The Chairman: Well, Dr. Espie and Dr. Templeton, on behalf of the Committee I would like to thank you. We felt as a Committee when we were in our formative stages that our study of the media would benefit if as well as talking to media people from across the coun-

try, we could hear from representatives of groups like yours and nationally known news commentators like Mr. Templeton. We are particularly grateful that you were able to come to the Committee to bring us a point of view which we perhaps wouldn't have otherwise.

On behalf of us all I do want to thank you both.

Senator Smith: Mr. Chairman, could we have a five minute break instead of ten because some of us are afraid that Mr. Templeton might be cut short.

The Chairman: Well, I know Mr. Templeton well and he is seldom cut short. It is 11.25 and we will adjourn until 11.30.

—Short adjournment.

The Chairman: Honourable Senators, if I might call this session to order. The next witness as we have mentioned several times this morning, Mr. Charles Templeton. Mr. Templeton is a personal friend of mine but that is certainly not the reason he has been asked here. I think even without the biography which has been distributed in advance to the senators, most of you are familiar with his background.

Really, the reason we wanted him here today, and we are so grateful to him for coming, is I think, there are few other people in Canada who have enjoyed successful careers at senior levels in several media—in television, newspapers, magazines and even in radio and I suppose in radio primarily as a performer.

We won't have many witnesses who have perhaps the background in depth in as many of our media as does Mr. Templeton.

He did not prepare a formal written brief for us but he does I understand however wish to make a preliminary statement. It isn't a long statement and following that statement, Mr. Templeton, we will proceed to the Senators who will question you on the things you say and indeed may well question you on things that you don't say.

Mr. Charles Templeton: Mr. Chairman, gentlemen. In the instructions that were sent out it was suggested in the beginning to define your own position in the mass media. I think there has been a biographical statement sent out as Senator Davey has said. I should add just one thing to that and that is that I am also a former employer of the chairman

of this committee in a freelance capacity of course when he was a columnist in *Maclean's* magazine and in his case personally handled his copy—a fairly formidable task, I might mention.

We also have had other associations, your chairman and I, and have made a little news in the mass media. Most recently in relation to what can only be described charitably as his recent abortive attempt to find a candidate for the Liberal party for the mayoralty in Toronto.

I am going to if I may, read briefly for about seven minutes.

The Chairman: I think you should clarify that last statement.

Mr. Charles Templeton: I think it is common knowledge.

The Chairman: I attempted to persuade Mr. Templeton to be the Liberal candidate for the mayoralty in Toronto but there has been subsequent events which may indicate that he made a wise decision.

Mr. Charles Templeton: If you will allow one additional word. You attempted not only to get Mr. Templeton to do it but a number of others.

The Chairman: Well, you were very high on the list.

Mr. Charles Templeton: I am not going to speak here in my initial statement on the suggested topics but I would suggest to you, if you wish to address questions to me on numbers 3, 6, 8, 13, 16 and 20 I would be pleased to speak to them because they are questions which interest me a great deal.

The Chairman: I think it is most unlikely that the senators have that guideline but do we have one which we could perhaps let them see.

Mr. Charles Templeton: Well, I could refer back later because I haven't got them with me right now.

The Chairman: Right.

Mr. Charles Templeton: As the chairman has said I have not prepared a brief but what I would propose to do this morning, if it suits your purposes, is to make a relatively short and somewhat general opening statement in which I shall touch on some of the areas that interest or concern me and may be of interest or concern to you. I will then be responsive to

any question which has been suggested arising from what I say or indeed apart from it.

Just a very small preamble. The news media are undoubtedly in the midst of a crisis of credibility. Will Rogers used to quip that he only knew what he read in the papers. Now of course, Rogers used the phrase as a springboard for his own particular brand of humour but in deadly seriousness it is a fact, that 99 per cent of Canadians as they contemplate their world could accurately paraphrase Will Rogers and say "I only know what I learn through the media." How else?

Now, we speak a great deal to democracy about the right to know; but the right to know is meaningless unless you are able to know—and our ability to know is essentially in the hands of those who own and run the news media. If they do not do their job well, we are uninformed or misinformed.

Whether it may seem desirable to some or not, willy-nilly we are in their hands. It is troubling then to observe that the news media in this country, in the United States and in the number of other countries of the free world are facing a crisis of credibility. You would not be holding these hearings were you not deeply troubled about the press, unless you believe others were.

Vice-President Spiro Agnew would not have attacked the press, particularly television journalism, did he not feel he was articulating what millions of Americans are thinking. The surveys indicate quite clearly that increasingly mass numbers of people are questioning the accuracy, the objectivity, and the freedom from bias of the various news media today.

Even television, through which most people get their news these days, is suffering from a loss of credibility. Now, inasmuch as an informed electorate is fundamental freedom, it is a profoundly disquieting matter when millions of people come to doubt their principle sources of information about the world in which they live. Consequently, and personally, at the time of my resignation as editor of *Maclean's Magazine* last September, I was in the process of preparing a major 20 page treatment of the news media in Canada under the working title—"The news—What is it? How do you get it? Can you trust it? It never got done. Well, I hope it will.

Nevertheless, let me comment briefly on the question raised in the title, by giving you as one who has been both inside and outside of

all the major media in this country, my opinion of the job being done by journalists in Canada. It is this. By and large, Canadian journalists seek to report the news accurately, fairly, and without bias. Most of the time they do. Their lapses are exceptional rather than normal. In my experience, a great majority of the people, who own or control the media, respect the news and do not try and fashion it to serve their philosophical, political or personal ends.

In my association with the Toronto *Star* as executive news editor, the Canadian Television Network as director of news and public affairs, television station CFMT in Toronto, as program host for radio station CFRB in Toronto and Standard Radio News as commentator, I have almost without exception been entirely free to report any news or to speak to and examine any subject that seemed to me as a journalist needful of being published or voiced.

Now, the same conditions obtained in the Canadian Broadcasting Corporation and the work I did with them, there being one exception. I emphasize one exception. In 1958 when I did an extensive film report on Swedish morality as related to sexual habits, abortion and birth control, the program was never carried. The situation when I was editor of *Clean's Magazine* however was quite different. There was regular and unwarranted interference in the editor's function and freedom. That led, and it is hardly a well-kept secret, to my resignation.

You will understand then from this background why I am of the opinion that in general Canadians are well served by their news media. Having established this however, I could just like to repeat it. There are a number of weaknesses within the various news media structure which need to be noted and which should and can be corrected. I shall mention a number of them within a brief compass of a few sentences on the assumption that those which interest you will stimulate questions and lead to the opportunity to expand on the original comment. And they are these:

First, there are no adequate professional standards in journalism and there should be. It is the responsibility of the owners of the news media to begin to establish such standards. Until they are established we will be afflicted with a great deal of second-rate reporting.

Two, it is always—I repeat it is always in the public's interest to have competing news

media in a community. My experience has been that monopoly is in no area of our society more objectionable than in the reporting of the news.

Next, one of the great weaknesses of the Canadian news media is their reporting of international news. It is intensified by the often uncritical, unedited carrying of foreign wire service reports.

Next, the statement of the publishers that they do not interfere with editors by telling them what to write should not be too readily accepted as the whole truth on editorial freedom. Much of such control of the news as there is, is indirect and unspoken rather than expressly stated and often takes place at the middle-management level. It is my observation that the influence of advertisers on the news and on television—commercial supporting so-called—diminishes in direct proportion to the economic strength of the news media.

In other words, journalistic courage sometimes has a direct relationship to financial solvency.

Next, the commitment of most managing editors, desk men and reporters to objective reporting is genuine—unfortunately impossible of realization under the present situation. There is all the difference in the world between the ideal and the real in the publishing of the news. Total objectivity is the impossible dream.

Next, the great problem in the television news is not so much a lack of zeal or commitment by staff it is a lack of the commitment of enough dollars by management.

Next, a way must be found whereby an ordinary citizen who has a valid complaint against a newspaper or television news and public affairs program on a local station can register effectively that complaint. It is often said that you can't fight City Hall. It is a hell of a lot easier to fight City Hall than it is to fight a newspaper or a television operation.

Next, a question for the Committee. Why is it that almost no small "c" conservative has become a journalist? Most of them being liberals, what effect has that fact on the treatment of the news?

With those preliminary statements I would like to now respond if I may, Senator, to your questioning.

The Chairman: Thank you very much, Mr. Templeton. Would you be good enough to

indicate the sections you listed at the beginning and I will just indicate to the senators what those sections deal with.

Section 3 is the section about newspapers in the United States being required to publish a semi-annual list of their owners and is this a good idea in Canada?

Section 6 is on technology. Section 8 asks what are the prime functions of the mass media? Section 13 is the Walter Lipman quotation on the fact that television is adding to the irrationality of the world and so on, and Section 16 is related to pressure groups and Section 20 an increase or a decrease in the degree of credibility according to the public by news and its opinion disseminated by the media. The senators might find those references helpful.

Senator Hays: Maybe Mr. Templeton would enlarge on those right now. I think we would like to hear more on them.

The Chairman: You would like to hear him on these?

Senator Hays: Yes.

Mr. Charles Templeton: On the sections or on the...

Senator Hays: Before the senators start making speeches—then we won't have time to hear you.

Mr. Charles Templeton: If I may be permitted, Mr. Chairman, I would suggest to you if I may that the initial statement that I read would seem to me to cover some of them but more than that perhaps it would be more relative as to the purposes of the Committee. That is a judgment that you gentlemen will have to make.

The Chairman: No, I accept that. I think that you are right. I think that most of the material which Mr. Templeton referred to in the specific sections has been covered in the introductory statement and that being so I think perhaps we are ready for some questions.

Senator Macdonald: Would you expand on some of the ones that were mentioned. For example, that there is no end to professional standards in journalism?

Mr. Charles Templeton: Anyone who has been in politics as you gentlemen have been or have been in public life knows that from time to time he will argue that he has been

misquoted. Many times he has indeed been misquoted. Many times he has not been misquoted but has been hurt by what has been published and the best defence in that instance would be to say that he was misquoted.

One of the reasons that men who are in public life are often misquoted, and some bear bruises because of it, is because there are not, it seems to me, sufficient professional standards in journalism and there should be.

News men refer to themselves, and I have done the same thing, as belonging to a profession but in point of fact they don't. They belong to a vocation. A profession, by definition, is a calling requiring specialized knowledge with often long and intensive academic preparation. That does not obtain in the newspaper business. The qualifications for a reporter are not determined by set-down standards. There are not academic qualifications other than, of course literacy, and some other acquired knowledges.

There are a very few times when specialized knowledge is required to deal in increasingly complex questions of the day so that there is an understanding of them—for instance in some things such as the labour beat, the education beat, the financial beat or whatever it might be.

Moreover, there are very few acquired skill which are required as mandatory. For instance, it seems to me that it must be absolutely mandatory for a reporter to be proficient in shorthand. I think anyone who has been in public life, if he cares about precise English and is explaining an attitude which he may have and which may be controversial would be concerned to be clearly understood—to have the reporter talk to him who makes no notes, trusts his memory or makes swift and partial notes and misses the intricacies of the statement, which are absolutely fundamental to what one wants to say if one wants to communicate.

May I suggest to you that there are, of course, exceptions. There are some extraordinarily brilliant reporters who have great native gifts and who are able to quite literally translate not only precisely what was said but the intent of what was said. I am afraid that as I have travelled across Canada—it has been my lot to be interviewed a great deal by the press as well as work a great deal with the press—that I must say that I flinch more often than not if I am interviewed on a complex question because I find that it

chances are very great that I may not be accurately reported.

Of course, the question of misquoting has a humorous side to it and that is when 50 million people were watching Neil Armstrong step down the ladder onto the moon, he made a statement which was reported on television and was heard by 50 million people and picked up by the press in which he apparently said "One small step for man and a giant leap for mankind." Now, here it was, it was live and everybody was there; there was the reporter and as he says, he was still misquoted. He said "one small step for a man"—so there is no solving of the problem. It is nevertheless there.

I have in the course of my own experience, working within a newspaper and hearing the complaints from people who say that they are not accurately reported, found that in many cases it is true. It is true because in my judgment there is a lack of professional standard on newspapers as to staff. I could give you story after story but I shan't trouble to do that.

The problems are—this becomes a very serious thing because as I took the pains to say, almost though it is known as well as we know the alphabet, virtually everything we know about the world, we know about the world because of the media. Therefore, if the media does not report accurately that which is said, then I think it poses a very serious problem in terms of the communication of ideas in a society.

Senator Macdonald: You mentioned now one thing about reporters knowing shorthand. Would you go further than that and say he should attend a school of journalism or something of that type?

Mr. Charles Templeton: I think that in addition to such training that he may bring to his job, I think it is the responsibility of a publisher to among other things pay sufficient salaries to provide the incentive for people to prepare themselves in this field. I think if they are going to put a man on a beat, that man should be given time off to prepare himself for that beat so he would understand something of the very specialized knowledge that any beat requires in our complex society.

I think that newspapers should institute training programs—these are costly things and they hinder the normal operation of the newspaper but I think they are necessary. I think that reporters should be subsidized by

owners to take academic training so that they are able to keep abreast of the enormous flux that takes place in most of the major concerns of our society.

Again, I think salary incentive would have a good deal to do about it.

Senator Macdonald: Well, that would only be for the major large newspapers, Toronto and Montreal and places of this type. You wouldn't expect a small town paper to have the same opportunities?

Mr. Charles Templeton: No, I wouldn't. Don't think that it is likely that it will happen. However I think that an increase in salary would perhaps draw a more academically qualified man to this path and does perhaps improve the standard.

Senator Everett: Mr. Templeton, I think you said that in any community there should be competition between the news media. Would you tell us what you mean by competition? That is what you mean—does it have to be competition between two newspapers or does radio provide that in the form of competition?

Mr. Charles Templeton: One of the benefits of competition is that you then have a standard against which you can measure the performance of either of the competitors. That is a very important thing. Take for instance, just to digress for a moment, it is relevant I believe to what you are asking—in the City of Toronto to have three dailies and in my judgment three extraordinary fine dailies. They are in a very real battle for ascendancy. As a consequence of that battle, they spend large sums of money, they purchase all of the features and all of the services they can or see fit so to do—to the advantage of the person who reads that paper.

Moreover in a competitive situation, as anyone knows who has worked for a newspaper, the staff by virtue of a competitive situation tries for a beat over the other newspapers. There is nothing that lifts staff moral better on a newspaper other than a raise and beating the other paper. This is a very real factor and the excellence of reporting that goes on because here are other standards of judgment on how well you cover that story. You observe them, your editors observe them and if the public is looking carefully it observes them. The beat on a daily newspaper today is really not a terribly important thing unless it is an exclusive story. Simply

because radio beats you with the news anyway. That is why there are no extras published any more, even though sometimes on television films you will see a boy shouting, "extra, extra, read all about it." They never do that any more, of course, because radio will beat any newspaper and television will beat any newspaper in breaking the news.

But competition is the stuff of which good journalism is made and without it, a monopoly community doesn't tend to strain every sinew to do the best possible job. It is almost intrinsic within the situation itself and more than that the publishers real or presumed real attitude will tend to affect coverage in the monopoly situation. There is no other criterion by which to judge and, as a consequence, I would think that it is always to the advantage or always in the public's interest to have competing news media in a community.

I don't suggest to you that it is going to happen because it is desirable but I would say it is one of the most desirable things that I can think of in terms of effective operation of the press.

The Chairman: I am not sure that you specifically answered Senator Everett's question.

Senator Everett: No, he is doing just fine, Mr. Chairman. Are you referring more specifically to newspapers in this situation?

Mr. Charles Templeton: Yes, but not necessarily. If there is an aggressive television station, and/or an aggressive news program on a radio station, and the sense that they are going out and getting the news becomes believed and recognized—this will have an effect on a newspaper's operation. A newspaper, if it is not careful, can look stodgy and not "with it" as the saying has it, and I think that any kind of competition to bring the news to the people is to the advantage of the public.

Senator Everett: You talk of the Toronto situation and I agree with you. You have a situation there where I suppose you have a single ownership newspaper...

Mr. Charles Templeton: Well, one of the newspapers belongs to a chain.

Senator Everett: Well, one belongs to a chain and one belongs to a chain that owns television stations as well. When you contrast that with Winnipeg where you have two

chains in competition with each other and then Vancouver where you have the same two chains in competition where they have agreed to print the paper out of the same plant. Is there competition in all of those three situations?

Mr. Charles Templeton: I think there is—certainly to my knowledge and mind you not living in Winnipeg, and although from time to time I read the two newspapers there, I would say that "yes" there is competition there and it is healthy competition.

It is my understanding, not founded on hard facts and I would equivocate in that regard, that the competitive situation in Vancouver leaves something to be desired.

Senator Everett: So, chain ownership as long as the chains don't agree with each other as they might have done in Vancouver doesn't worsen the situation in your eyes?

Mr. Charles Templeton: No. In my view chains fulfill a very important function in certain situations. They certainly do because they make possible coverage which is not possible in the budget of an individual newspaper on some occasions.

Senator Prowse: If they do it?

Mr. Charles Templeton: If they do it.

Senator Everett: In certain communities the process of competition is gone because there is only one newspaper left—we are not talking about the situation where an owner owns the two newspapers, because there is just the one newspaper there—and Mr. Claude Ryan when he was here said that there ought to be some means of government loans to enable new newspapers to start or to carry on. Is this the sort of thing that you might be talking about?

Mr. Charles Templeton: Well, there are problems of economics in publishing or operating a newspaper at a profit and this is a perfectly legitimate desire in a rough business. The evidence of that is the number of papers in this country and in the United States that have failed; and it is why you have in so many cities a monopoly situation simply because there was a time you know when all the news you got you got only from the newspaper and that time has not long gone. That has now changed. There is a sizable amount of competition in the community apart from the printing press. We still call it

the press but it is an anachronism, the term. Presses are not used.

I would think that anything that could be done that did not in any way directly or indirectly inhibit the freedom of the publisher to publish the news and to treat the news—anything that could be done that did not inhibit that, with all things being equal and I can't speak to all things in a limited time of course, nor am I capable,—would be advantageous. I think any community which has two newspapers is the better for that fact. The economics is the great problem.

Senator Everett: I think you made three statements which I will read to you. I hope I reported them reasonably correctly.

Journalistic coverage varies in direct proportion to solvency.

Mr. Charles Templeton: I am afraid you did not report me accurately. I said in other words journalistic courage sometimes...

Senator Everett: It is my writing that I couldn't read.

Mr. Charles Templeton: Sometimes has a direct relationship to financial solvency.

Senator Everett: Owners respect news and do not try to fashion news to fit their ends.

Mr. Charles Templeton: Well, let me speak to it without making reference to this specific statement. It has been my experience...

The Chairman: I think that there was a third one he wanted. Do you want to bring them all up?

Senator Everett: There is an unspoken editorial control.

Mr. Charles Templeton: Yes, I did not quite state it in that way but let me speak to the point...

The Chairman: Well, I think he wants to put a question to you based on those three points.

Senator Everett: Not at this point. I wanted to say that there are three statements that are not on all fours with each other. At least, I don't think they are. I would like you to enlarge on all three of them.

Mr. Charles Templeton: Well, it has been my experience and I speak from that primarily, that the publisher of the newspaper or the person who controls it, though he may not be

the publisher as such, that the interference which takes place under those circumstances is very small to the point of being negligible in the terms of direct interference.

It is however something always to be borne in mind that if a publisher says, "I do not interfere with the operations of the newspaper" I think he should personally, but that is not the whole case. The problem more often arises at the senior editorial level, at what you could describe as the middle management level, where the publisher's concerns are well known. Those concerns are stated daily in amongst other things, in the editorials where the gentleman's position or the company's position is stated on virtually every question. These facts are well known to senior editors, the people responsible for the actual publication of a newspaper, and sometimes they will seek to interpret the publisher's attitude towards stories which may relate; and rightly or wrongly this unspoken aura of direction becomes a very real part in the production of a given newspaper or the attitude towards a story or the amount of coverage given to a specific thing.

Let me use a positive rather than a negative example. I could use a negative but let me use a positive because I think it says it equally well. I was, for instance, executive news editor of the *Toronto Star*. It was common knowledge among all staff and very definite knowledge among senior editorial people that anything dealing with the intrusion into the Canadian economy of foreign capital was a cause very dear to the editorial director's cause. It was also known that statements that Mr. Gordon might make at that time in his career on that subject, were regarded as being almost automatically important; and therefore there was a real tendency on the part of the man who was making up the front page to carry Mr. Gordon on the front page on that subject.

Now, sometimes, the normal news judgment that a senior editor might make, can be impinged upon by his knowledge of what the publisher believes to be of enormous importance. Now, that question is of enormous importance and perhaps the most explicit statements on that general subject by public figures, were made by Mr. Gordon.

So, I do not suggest what I say critically, but I merely say that these are the factors which are at work, for good or for ill within a newspaper, predicated on the knowledge of the senior editor related to the attitude, ideas,

philosophy, political biases or whatever of the publisher of a newspaper—and they inevitably have some effect.

Senator Everett: Let me interject there. You say that we suffer from liberal...

Mr. Charles Templeton: I didn't say that, sir.

Senator Everett: Editorially.

The Chairman: I don't think he used the verb suffer.

Mr. Charles Templeton: No.

The Chairman: I think he said we have a preponderance of liberals.

Mr. Charles Templeton: I raised it as a question to the Committee: why is it that in journalism you have an almost total preponderance of liberals and an almost total absence of conservatives?

Senator Everett: But I suppose in publishers there is preponderance of conservatives and an absence of liberals.

Mr. Charles Templeton: I don't think I would necessarily—I don't think I would agree with that as a matter of fact.

Senator Everett: You wouldn't?

Mr. Charles Templeton: No. It would certainly not be so in the *Toronto Star*.

Senator Everett: My question then is this. In this unspoken editorial control more the realization by the senior editor in the middle management group what the publisher wants or is it more what the editors want?

Mr. Charles Templeton: No...

Senator Everett: Or is it not related to what the publisher really wants at all?

Mr. Charles Templeton: I think where the normal news judgment of an editor is touched by factors other than that judgment—and it is touched in terms of his treatment of a story or his treatment of a subject—if that treatment is touched, it is touched I think more often than not by the recognition that the publisher or the boss has certain views and those views are not forgotten. They are in somewhere behind the frontal lobe as he goes to work on the news on a given day.

Senator Everett: Is the only prejudice the editor has, the bosses' view?

Mr. Charles Templeton: Heavens no.

Senator Everett: Are those his only prejudices?

Mr. Charles Templeton: No, sir. That is why I said to you earlier that total objectivity is the impossible dream. Every reporter who writes a story about anybody brings a degree of subjectivity to that story. And every editor who handles a story is more or less subjectively dealing with that story. Every treatment of every story in every newspaper has had subjective judgment made on it and they are not properly described as truly objective. There is an attempt to be objective by good journalists and I feel most of them seek very zealously to be objective.

Senator Everett: Is this interference, this unspoken editorial control exaggerated? I am not talking about the competition situation or the lack of competition. I am talking about a chain ownership?

Mr. Charles Templeton: I would think not.

Senator Everett: Just one last question. I think you seem to think that one of the solutions that we should seek is competition and another is disclosure of information—ownership information. We have had two suggestions along these lines, one from Mr. Ryan in which he said that there should be community participation in the ownership of a newspaper and one of the ways to solve the chain ownership problem was to have community participation say up to 50 per cent. Would you comment on that?

Mr. Charles Templeton: I fear my comment may not be very useful because I haven't really thought very seriously about the question. I would make an immediate comment if you will accept it as that and that is that I would doubt that it would make much difference because I think that the determination of the way a newspaper is going to be, or the kind of newspaper that it is going to be, is determined primarily if you have an active publisher—and a paper is lucky if it does—by the publisher and by the senior editorial staff. I think there would be interesting suggestions that would come through that participation and there might be, for instance, a calling to task or points may be raised but I would think, essentially, it wouldn't make very much concrete difference. That I am afraid is a tentative opinion.

Senator Everett: So it would be fair to say in your mind, that there really isn't much to fear from chain ownership as long as there is competition within a community and as long as there is some sort of disclosure of that ownership?

Mr. Charles Templeton: By and large I think it may be said as fundamental that chain ownership brings more to journalism than it may withdraw from it. I think the economics of news coverage are a very real problem. They certainly are in television and they certainly are in the newspaper business. And if more dollars are available, as I think Charles Lynch I think was saying as I read him reported in the *Globe and Mail*, I would think there is much to be said for the fact that the capacity to cover, and therefore giving you the ability to know, is enhanced by the availability of dollars. There are more dollars available by and large within a chain than there are in individual operations.

The coverage would tend therefore it seems to me to be broader.

The Chairman: Could we return for a moment—I know Senator Hays would like to ask a question—but just to your conservatives and liberals and I would like to ask you two questions.

Number one, from your knowledge of the press gallery—I know you have never been a member—but you have had people out of the press gallery responsible to you on occasions. Would you say that the press gallery is peopled with liberals as opposed to conservatives?

Mr. Charles Templeton: Mr. Davey, I am not in any way avoiding your question but the people in the press gallery change a great deal. I am not that familiar with many of them. I know a number of them, but I would say, that of those I know, the same general statement that I made would apply.

The Chairman: Well, let me—because according to the rules of the game we play you can't ask us questions—let me ask you the question.

If we were to concede your point that more members of the working press are liberals than conservatives, why do you think that that is the case?

Mr. Charles Templeton: I made a note or two on this. I think perhaps the reason is

because a small "I" liberal tends to be committed almost by definition to the need to change society. A conservative tends to be committed by definition to the conserving of values within a society. I don't suggest that there is an unwillingness to change but the willingness to change is less than it is in the liberals more often than not and I am using the small "I" here so that there is no confusion.

I would argue entirely out of context that it is also true in terms of a large "L" liberal but that is not the matter.

Senator McElman: You better watch that.

Mr. Charles Templeton: Yes. I will withdraw that comment, sir. It might muddy the waters. The small "I" liberal seems to be committed to the idea that society needs to be changed and sometimes perhaps this has led to undue emphasis on the efforts to change society in the media—whether those efforts are too violent or otherwise. I think this may be one reason why the press has on occasion and I wouldn't argue they have done so on a broad scale—but have on occasion, given more attention to an objection to what is eventuating in a society than the objection may have legitimately merited.

I think that perhaps would be true because of the desire to change and/or reform society, which is part of the intellectual makeup of a small "I" liberal. The conservative I don't think feels the same kind of passion in that area. Therefore, he does not thrust himself immediately into the area where he is a communicator in terms of the news.

The Chairman: Well, following up then on that answer, I would like to return to Senator Everett's question. I believe it was Senator Everett who thinks then that most publishers in Canada are progressive reformers?

Mr. Charles Templeton: No, I wouldn't say that. I would say unfortunately not enough of them are. I would say there are a number who very definitely are. I would say that where they are, I think that would serve the community well.

I am not one who believes that because a newspaper espouses a cause, the cause is therefore espoused by the people. There is plenty of evidence, when newspapers trouble themselves, for instance, to make slate of candidates in political elections, that they are notoriously unable to sway the general public to buy their slates.

The Chairman: Well, what about the comment then, which is often made, that the publishers and the owners of the media in Canada are all the same kind of people anyway. Whether they are big "L" Liberals or big "C" Conservatives or, as doesn't seem to be the case, new democrats. They are all the same kind of people; they all belong to an establishment. This is a point made eloquently by Desmond Morton in an article which appeared, I think in *Forum*. I don't know whether you are familiar with that article or not...

Mr. Charles Templeton: Well, I don't believe it. I would just simply illustrate my statement, that I don't believe it, by drawing your attention to Toronto. Would you say that Beland Honderick is like John Bassett? Or that John Bassett is like Mr. Cooper? I think these are three absolutely different kinds of people in character, in background, in attitude, in philosophical outlook, in political alliance, in virtually every way in which you might categorize a man.

I would say that you couldn't find three more different people although they do have certain things in common.

The Chairman: Well, one of the things which concerns me in the course of our study—and I shouldn't say concerns me, that is not right—I think that it is quite understandable—that there are repeated references by witnesses and by senators and by the press and so on to the situation in Toronto.

Let us go outside of Toronto, let us look across the country. Will you say that same disparity prevails? Would you say that that same disparity prevails as related to publishers?

Mr. Charles Templeton: My judgment on this is partial or my information on this is partial. I would say that it wouldn't obtain to the same extent across the country as it does in Toronto but would obtain.

Senator Hays: Mr. Templeton, do you feel that there should be a national code of ethics for the mass media in the grey areas where things are published that some newspapers feel are fair game. I mentioned the reporting of the case against Mr. Tommy Douglas' daughter in California.

Mr. Charles Templeton: Do you mean a code of ethics that speaks to such questions as to whether or not who will cover a story?

Senator Hays: Report certain stories or cover a story, yes.

Mr. Charles Templeton: No, I do not think so. I think it is in the public's interest to report the news and if the news has about it aspects, which to some people are not good, not too desirable, I don't think that that is a judgment that ought to be a conditioning judgment on an editor. I think he must concern himself with the public good in that he exercises his sole control or some control or how he treats a story or the play he gives a story.

Perhaps I can illustrate that by a specific story. There was a case in Hamilton, Ontario about five or six years ago of a rather unsavoury trial where the details were something less than the kind of reading you would like your 13-year old daughter, to use the hypothetical person, to read. Some papers played it to the hilt and put it on the front page and elaborated it enormously. Other papers in my judgment—quite properly—carried the story because it is a part of society, and you are not the judge of society, you are the reporter of society; but the way the story was played was the important matter and I think this is a judgment that has to be made by people who are making those judgments.

For instance, it is a common practice that suicides are not reported by newspapers. I rarely is not observed except where there is a factor beyond that. Then an individual judgment will be made by the persons who are putting out the newspaper as to the wisdom or the lack of wisdom of carrying the story. There are checks and balances in our society. If a newspaper in its approach to its job involves itself in a kind of shall we say, judicious pandering to a certain segment of society, I think the other people in that society will begin to make judgments about the newspaper which will relate to how many people buy it; and when people don't buy it the advertising suffers and the advertising is the revenue on which newspapers operate more than sales.

I don't think that a code of ethics would be a practical thing. I think these must be judgments made by the publisher and the editor and that the public will make their judgments on those judgments.

Senator Hays: Then do you feel that a newspaper in its own group should have its own code of ethics?

Mr. Charles Templeton: A stated code of ethics?

Senator Hays: Well, a certain code of ethics. I have used this example before—where a man is charged with rape and it is on the front page and three weeks later he is found innocent. Do you think there should be a code of ethics for his innocence to be published in the same spot in the same newspaper in the same size and that sort of thing?

Mr. Charles Templeton: I would think that that—I think what you have touched on there is a very difficult problem within the newspaper business.

Senator Hays: I know it is a grey area.

Mr. Charles Templeton: No, I think, sir, it is a very specific and worthwhile point, if you will allow me. That is that almost never does a retraction or the ultimate statements about a story that may have received enormous publicity in its original version or beginning—almost never is the retraction or the subsequent story given the same prominence.

I would think that all publishers should be seriously concerned about a question like that. I think that many an editor has felt his own conscience troubled by virtue of the fact that what you say is often the fact. It is also a fact that people, who have sometimes been injured by newspaper stories but not injured at the point of their being able to institute libel suits or a suit against the newspaper, have very little recourse in this area.

As I said earlier it is hard to fight City Hall. It is harder to fight a newspaper; it is harder to fight a television station if you feel an injustice has been done to you. Many people quite warrantably feel that an injustice has been done to them. There have been many cases sometimes where an injustice has been done but I do not think that the media pay enough attention to righting those injustices or correcting any misapprehension that they may have in the first place where it originated.

Senator Hays: If they don't, does it not then follow that a certain code of ethics within the newspaper...

Mr. Charles Templeton: It does indeed. I wouldn't like to see it codified.

Senator Hays: Would you like to see the libel law given a little more elbow room than?

Mr. Charles Templeton: I think that is a very complex question, Senator.

Senator Hays: If you libel someone...

Mr. Charles Templeton: If the libel laws are broadened there is also the danger that you will diminish the amount of news you will get out of fear.

There are some among the publishers who are very timid at this point. There are some who write who are very courageous and I think that any extension of it might have deleterious effects as well as such benefits that might be gained.

Senator Prowse: How do you measure damage to reputation in dollars?

Mr. Charles Templeton: You don't but the court sometimes tries to.

The Chairman: I would like to ask you a question, Mr. Templeton and then I will go to Senator Prowse. This is a question which you should certainly feel free not to answer but I would be curious to know—you mentioned editorial interference during your career as the editor of Maclean's. I would be curious to know how quickly after you joined Maclean's was it apparent to you that there was going to be this kind of interference and secondly how was it translated to you? How did you become aware of it? If those are questions you would rather not answer I think the Committee will understand. On the other hand, the answer might be helpful to us.

Mr. Charles Templeton: Well, very soon after I joined Maclean's. If you will allow me when I resigned from Maclean's...

The Chairman: Are those fair questions?

Mr. Charles Templeton: Yes, I think so. However, you can understand having gone by an unpleasant episode one does not wish to necessarily dwell on it, or I don't want to stand as the accuser of a great institution which Maclean's is. I would suggest to you if it would be useful to you that when I resigned, I very specifically stated the reasons why and the form of editorial interference in a four-page memorandum. I would be pleased to supply that...

The Chairman: Well, we have that on file but I just wondered if you could elaborate on that.

Mr. Charles Templeton: Well, I have nothing more to say. It was quite clear. You pay

no attention much of the time to editorial interference. If you are a serious journalist and you believe in what you are doing you pay no attention and I paid no attention to the first 30 or 40 things which were passed to me by way of a memorandum or a comment. I just went ahead and did what I thought I should do, whether wisely or not. I have done that, not only in Maclean's but other places where I have been asked to do things which I didn't think was in the best interest of the publications or the broadcasting enterprise to which I was related. I just didn't do it. I just let it go by.

It however became so serious a problem that I brought it to a confrontation and as that confrontation did not bring a change, then I felt there was no option but to resign and very reluctantly I resigned noisily. I resigned noisily because Maclean's is too great an institution to suffer from unwarranted interference in the publication of the magazine. Too many good people have done too many things there and I felt it was necessary to say that if it couldn't be achieved during my editorship—perhaps it could be achieved in some subsequent editorship.

The Chairman: Senator Prowse?

Senator Prowse: Mr. Templeton, how serious is the attempted pressure or attempted influence by advertisers to influence the news or for people who are interested in the profit of the thing to be concerned about the interests of the advertisers in dealing with the news?

Mr. Charles Templeton: Speaking to that question initially—would you mind if I read that paragraph and then speak to that question?

The Chairman: No, go right ahead.

Mr. Charles Templeton: It is my observation that the influence of advertisers on the news and on television's so-called controversial programming, diminishes in direct proportion to the economic strength of the news media. In other words, journalistic courage sometimes has a direct relationship to financial solvency. I have been fortunate in that I have worked for strong companies who were able to resist any attempts that may be made to influence what that company does. There are attempts from time to time. I would not have it misunderstood by saying constantly, regularly, and repetitively; but from time to

time there are attempts not only by advertisers who have a stake in what may or may not be recorded—a stake which is important to them and in their judgment is important. It is also sometimes true I regret to say, that advertising people within a company will speak to you about something which is deleterious to their client and they want of course to have their client happy.

But to give you some instances—we did a series of programs on CTV which related to a major national event and in that series of programs we were quite critical of some of the things that were happening. One of the regular sponsors of that program thought to get us to state the case perhaps more placidly. Interestingly enough it was rejected out of hand by Mr. Chercover, who is now president of the network, and by myself.

We made a film on Canadians in Hollywood, in the course of which there was an expletive in the nature of an obscenity voiced by one of the people. It was suggested by the advertiser who was thinking about buying the program—and there was a lot of money tied up in the program—not only to me but also to the program manager and the advertising people that we should delete it. In my view it was fundamental to what was happening at the moment in the film and so I refused to do so. The company never challenged me and never suggested anything else and I stood with it.

On CFRB I do a daily radio program called Dialogue with Mr. Pierre Burton. We say some very rough things from time to time. There have been occasions when advertiser who felt they had been touched have called up and asked for a transcript of the show and the station says in effect, "Go to Hell" at the time and in those words.

There are sometimes the beginnings of pressures—if pressures is the word—or at least the suggestion that it would be better if it were not done that way and done in another way. I would say that in strong organizations that these pressures are ineffectual and insignificant. In a company which is close to the vine economically, in a company whose existence may be dependent in large part on a major advertiser—I am talking now about the more difficult task of the small company: the small newspaper, the small radio or television station—I cannot give you chapter and verse so you will understand that I am not stating anything specific here—but I would think that it would be extraordinarily

hard to fly in the face of a very heavy advertiser because it has to do with your existence.

It is not difficult to make a rationale which says your existence is more important than a single issue and that is not an unreasonable thing to do in my view. But to repeat, journalistic courage sometimes has a direct relationship to financial solvency.

Senator Prowse: Sometimes in the weaker situation you are talking about do you know any instances or would you think that perhaps the overconcern with their weak financial position might blind the publisher of the paper in those circumstances to the fact that the advertiser really needed him anyway?

Mr. Charles Templeton: That the advertiser needs him?

Senator Prowse: Yes.

Mr. Charles Templeton: Well, maybe he does.

Senator Prowse: But sometimes they forget that fact.

Mr. Charles Templeton: That is correct.

Senator Prowse: The other question comes and it is not quite the same thing but it still has to do with influence. You were talking to Senator Everett about claims and by this I take it you were thinking solely in terms of link newspapers that had common services. Suppose you had one of those big diversified conglomerates today that then starts to acquire newspaper chains and they have very large economic interests that could be something that also affects the welfare of the country and I will state an example.

I don't know whether General Dynamics is but suppose we had the General Dynamics Corporation in Canada and they were providing a very large part of the segment of our economy with things, employment and everything else and they were to acquire a newspaper, say a chain of newspapers as well. Would you think that that would be a potentially dangerous situation or not? Would you class that along with your general statement that chains would be a good thing?

Mr. Charles Templeton: I would think that where a newspaper is owned by a conglomerate which has very large interests which is its responsibility to protect and to enhance, I would think, that there would then arise a potential problem in terms of the zeal in

which their newspaper might pursue certain questions which would have a deleterious effect on that conglomerate.

Senator Prowse: Now, the second thing was, or the third question was this. We heard from a group of journalists last night and in their brief they included a very brief description of a contract which the editorial workers—and this includes all the news people of the Stern Publication in Germany—they have a contract now whereby a publication can't be sold unless the sale to the particular purchaser is indicated to them and then they vote. Unless that particular sale is approved by two-thirds—I think this was the figure—of the employees or the board who were elected by the employees—that sale can't then be completed.

Senator Everett: Perhaps I might be able to read it.

Senator Prowse: Would you read it, please.

Senator Everett: The charter declares that no editor or staff member can be compelled to write anything against his own conscience and the charter goes on to specify that the board must be consulted by the management on any change in ownership and on the employment of an editor-in-chief who cannot be dismissed if the board disapproves such action by a two-thirds majority. An editor-in-chief is empowered to make personnel decisions in the editorial department but he cannot make changes in managing editors, department heads or political contributors without a two-thirds vote of approval by the board.

A seven-man editorial board has been established which is elected annually by secret ballots. A new election can be called if 30 members of the editorial staff request it. All staff members are eligible to serve and everyone has a right to vote if he has been a member for more than half a year.

Mr. Charles Templeton: Well, that is news to me.

Senator Prowse: Would that be helpful in maintaining independence?

Mr. Charles Templeton: Will you understand that I am saying this fresh from hearing it. My first reaction would be that there would be all kinds of problems related to it but certainly it sounds to me as though it

certainly would be a method whereby editorial freedom would unquestionably be preserved.

Now, that is just a snap judgment.

The Chairman: I would like to ask you this. You mentioned the program you do on CFRB and I know you have a big audience. I know you have done television programs which have been highly rated. You were at the *Star* which I guess has the biggest circulation in Canada and *Maclean's* and so on. How do you compare—I was going to put the question, which media communicates most effectively—but obviously the answer I would assume is that different media communicates most effectively to different groups of people—but how would you compare the ability of each media or contrast the ability of each media to communicate?

Mr. Charles Templeton: Well, in order for any media to do its job well it needs to recognize its own strength and its weaknesses and they all have their strength and weaknesses. The great advantage that radio has is that radio is the breaker of news today. It is so simple. All you do is turn on a microphone and announce it. It takes no preparation other than a piece of wire copy or a phone call by a reporter or what have you.

Stories are broken today by radio and this advantage lies almost entirely with them although television is beginning to challenge it by spot bulletins.

Radio's capacities in the area of news remains essentially what it was but I think it is not as impactful as our newspapers or television.

The effect in television in communicating the information of course has about three aspects to it. The first is what is called actual programming. In other words the news is being reported as you watch the man walk on the moon. There is no one in between you, there is no one interpreting it. There is the news, you are the observer and you will make your own judgment about that event.

The same thing is true of the riots in Chicago. There were factors that relate to what you were seeing that you were not aware of, but you see the event and you will make your own judgment as indeed a reporter will.

Now, reporters will subsequently come on to talk to you about it, comment on it or give you information to which you could not be privy, but actuality news has the advantage

that you are there and there is no one between you and the news. It has the disadvantage of the fact that the actuality is never only what it seems to be but it is a great deal more than it seems to be.

The impact of television is enormous. It is not a matter of fact that you have Video plus Audio 1 equals 2. It is Video 1 plus Audio 1 equals 5. All the emotional and other factors are at work in that presentation.

Television news also seems to have an authenticity which every survey on the subject reveals beyond other media. In other words, each survey has indicated that people believe television news more than they believe newspaper news or radio news or magazine news or whatever other media you may be speaking about.

In my judgment this is an error on the part of the public. It is predicated I think on the belief that they say, "I heard Mr. Benton say that" "I heard with my own ears Mr. Benton say what he said about that." But to come to the point, the public is not aware of the fact that what they heard was a part of what Mr. Benton said; that rather than an editor's pencil touching it the film editor touched it. I can be—I don't suggest it is—let us be clear on this, it can be so rearranged that it comes out in such a way that it may not be in anyway an accurate representation of what he said although the listener believes it is what he said because he heard him say it.

Therefore, television news is the more credible with the general public. I don't think it should be any more credible. I think it should be equally credible, good television news coverage with good newspaper coverage.

The newspaper gives you more. The newspaper gives you more news than any other media. It gives you more news in greater depth than any other media. Except where television mounts what is called the special makes some major treatment of a specific subject or does major covering of a subject. Each of them has their own advantage, each of them have their own influence.

There isn't much doubt according to the survey but what today most people get their news from television and most people believe television.

The Chairman: Well, which medium does Charles Templeton enjoy working in most?

Mr. Charles Templeton: The one I am working in at the moment. Quite seriously.

The Chairman: Which is?

Mr. Charles Templeton: Well, I do a television show once a week and I do a radio show five days a week and so on but I didn't mean that in that sense. I mean that I have no preference for the media.

The Chairman: The one at the moment?

Mr. Charles Templeton: Yes.

Senator Everett: Mr. Templeton, the United States seems to have a history of creating personalities that have a full-time job of commenting on the news and trying to interpret the news to the public. When newspapers were the main mode of communication, there were men like Lippman, Pearson, Alsop, Weston and I suppose they were pretty powerful but it wasn't a very persuasive power. It wasn't a very persuasive power or at least didn't seem to be a persuasive power. But now we are into television and men like Cronkite, Lawrence and Smith and Reynolds who seems to have enormous power in interpreting the news to the American people and of course this is what Mr. Agnew appears to be worried about; and I suppose in this country there are men like Mr. Berton, Mr. Lynch and yourself who come as close to the American counterparts. But your views haven't been too—maybe in Toronto when you and Mr. Berton over CFRB which had nearly 50 per cent of the audience and you might have a great deal of influence but should we attempt to prevent people like you from getting too much continuous coverage on television giving your views and your interpretations to the public?

Mr. Charles Templeton: No. I think what needs to be done—television has yet to find its counterpart of newspapers in two particular areas that seem to be very important.

One of the areas in which television has not found the counterpart of newspapers is that there is no way for the public, no fundamental way for the public to express its view on what television does, no direct way. The newspaper has the letters to the editor.

Television needs to find the letters to the editor format so that the public can respond to that which the television station or network is saying. It seems to me that this is one of the very great needs that television needs to address itself to and some thought has been given in that direction.

The deficiency, in my judgment, on television is that you do not get in this country a great deal of personally expressed opinions on the news and I would ask you, sir, if you

could think of programs where you do in this country. You don't. You do get some in radio and so on...

Senator Everett: Well, I am thinking of—I don't know what the CBC call it but following the 11 o'clock news.

Mr. Charles Templeton: Viewpoint?

Senator Everett: Yes.

Mr. Charles Templeton: But that is not the viewpoint of any broadcaster. Those are independent people who are hired on a nightly basis, all of whom are individual citizens of no particular avowal to a cause or philosophy or a political leaning.

Senator Everett: That is right. That seems to be the attitude that the CBC takes. They do not seem to be following the crowd in creating giant personalities like Templeton who will be able to influence broad sectors of the public. They are going to allow various or a wide-range of people to come and comment on the news.

Mr. Charles Templeton: Let me speak to that point. For instance, the thing that Mr. Berton and I do every day not only in Toronto but it is syndicated across the country as a matter of fact, it is clearly identified as being the individual opinion of two men. I think that any time that any editorializing is done, that in effect is editorializing, but it must be done by those individuals. In a newspaper there is an editorial page under a masthead where a man or a group of men say what they believe about the news or about government or about senators or about whatever. It is their privilege and it is specified as being an opinion and the names of those responsible for it sit there on the same page.

Across the way opposite the editorial page or page 7, as it often is, are bylined articles with specific points of view put forward. Now, the same is true—I don't want to act offensively about this but perhaps I shall, in what Mr. Berton and I do. That is that it is clearly understood that it is the opinion of the person speaking that it is no more important than you hold that person to be important.

It is subject to challenge one from the other at the same time or challenged by the viewer in a thousand different directions and I think frankly that this is not a bad thing in a society. And I think as a matter of fact that that program, if it has any virtue—I think the primary virtue of that program, is

that about 60 per cent of the time you hear and disagree. We have a rule never to state anything we do not believe. We never take a side just to be in opposition.

Sixty per cent of the time you hear two sides—there may be twenty—but you hear two sides related to that question. I think it stimulates thoughts on it that oftentimes are not discussed and I think it serves a useful purpose. To forbid it—I don't speak personally now—I think would be a mistake.

Senator Prowse: The one question has to do with the question of a decreasing credibility which we hear so much about. It is rather my opinion—and I am just going to ask you whether you think I am right or not—that a great deal of this credibility gap between the media and the reader is the result of the fact that so much happens that only a portion of it can be printed or reported by any means. Therefore there has to be selection and there is also the natural fact that two people looking at a single incident will almost invariably carry away different ideas.

Now, is this where the problem lies or is there something more serious?

Mr. Charles Templeton: I think that is one of the reasons. I think another of the reasons for what I suppose you can call the credibility gap between the public and the newsman has to do with the kind of news we have been having the last number of years.

Our society is in a state of flux and it is fairly fundamental. The changes which are taking place today are enormous and they are profoundly disquieting to great groups of people and to individual people. The reporting of it has, let me say, not been spared as a consequence. I think people who believe that that reporting has been out of proportion grow resentful of the press. That initial resentment makes for some questioning about the judgments which are also hinging on all of the other things which are carried by the media—by way of news, or features or treatments.

Senator Prowse: Is there anything the media can do to correct this situation arising from either of these cases?

Mr. Charles Templeton: I think it is true to say that the people who are in charge of the media are constantly conscious of the fact that they exist by virtue of the public acceptance of them. And if they begin to see in any one of a number of ways—by measuring the

rating of a television program, the purchase of a newspaper, the number of letters to the editor which begin to flow, the comments they hear in their own social connection—rejections of things they may be doing are heard. Now, you hear those all the time but they change in terms of their ebb and flow and you exist by virtue of acceptance as a commercial commodity which would be true of everything except the CBC.

You must be very concerned about these things and I think it is true to say that these things are scrutinized rather carefully by those who do own or control the media.

The Chairman: Well, Mr. Templeton, on behalf of the Committee I want to thank you for coming here this morning—I have some idea of how busy you are—and for finding the time to prepare yourself so well; I apologize that perhaps not all of our questions were as loaded as those you receive on a daily basis from Mr. Pierre Berton.

I should say to you that Mr. Berton is going to have equal time before the Committee as he will be coming after the new year.

As I said when I introduced you, I think you have a unique position in the media structure of Canada. I think your views have been valuable and on behalf of the Committee I thank you.

The Committee adjourned.

Upon resuming at 2.30 p.m.

The Chairman: Honourable Senators, this afternoon we are to receive the brief, and representatives from The Thomson Newspapers Limited.

Sitting on my immediate right is the Executive Vice President and Managing Director of The Thomson Newspapers Limited, Mr. St. Clair McCabe.

Mr. McCabe: Thank you, Mr. Chairman.

The Chairman: On his immediate right Miss Margaret L. Hamilton, Vice-President Thomson Newspapers Limited, and on my immediate left is Mr. John A. Torry, Q.C., general counsel, Thomson Newspapers Limited.

If I may say to our guests, as requested, you received your brief some three weeks ago; in fact, more than three weeks ago. It has been circulated to the Senators, presumably it has been read and studied, and now we are, I think, ready to turn to an oral statement; and it is my understanding that Mr. Torry is going to make the preliminary statement. You are

ree, John, to summarize, expand, explain; indeed anything you may wish.

Now, following that I understand Mr. McCabe would like to make a much shorter statement, and that certainly is permissible as well. Following those two introductory statements the Senators will proceed to ask you questions on the contents of your brief, on the comments you might make, and anything else that is on their minds if that is satisfactory.

Mr. John A. Tory, Q.C.: Mr. Chairman, and Honourable Senators: As Senator Davey has indicated I am the General Counsel for Thomson Newspapers Limited; however it is not in that capacity that I am appearing here today but rather as a Director of Thomson Newspapers Limited, and as solicitor for Mr. K. R. Thomson and members of the Thomson family who, as was pointed out in the company's brief have a substantial interest in the company. I am also a trustee of various Thomson family trusts, and member of the Boards of Directors of other Thomson companies including Thomson Newspapers Inc., a subsidiary of Thomson Newspapers Limited which publishes newspapers in the United States.

Mr. St. Clair McCabe, the Executive Vice-President and Managing Director of Thomson Newspaper, is the senior officer of these companies and responsible for their operations. Mr. McCabe has spent all his life in the newspaper business. He joined the Galt Reporter in 1937 where he was employed in various capacities including that of general manager until 1950 at which time he moved to the company's head office in Toronto. He was succeeded as general manager of the Galt Reporter by Mr. K. R. Thomson.

Miss. Margaret Hamilton also worked for the Galt Reporter for a number of years, and in 1954 she succeeded Mr. K. R. Thomson as general manager of this newspaper. In the following year she was transferred to the company's head office in Toronto to become executive assistant to the general manager. She was appointed Vice-President of the company in 1969.

Mr. K. R. Thomson, the President and controlling shareholder of Thomson Newspapers Limited, moved to England with his family several years ago where he has assumed the position of Chairman of Times newspapers Limited which publishes the Times of London, and the Sunday Times.

The duties of that position and his desire to familiarize himself with the other family

interests in the United Kingdom have restricted his participation in the affairs of the Canadian company in recent years; however, he has remained in close touch with the North American operations, and I believe ultimately he intends to return to live in Canada.

I would like first of all to give you a brief outline of the current operations of The Thomson Newspapers Limited. The Company operates 28 daily newspapers in Canada; however because all of these newspapers, with one possible exception are purely local in character, they account for only about 8 per cent of the total Canadian daily newspaper circulation. The company also publishes 15 weekly newspapers in Canada—The Vernon News, a weekly newspaper published in Vernon, B. C. was acquired in November of this year after the submission of the company's brief. Twenty-eight daily and 15 weekly newspapers are published in 42 communities located in 7 provinces.

A list of their circulations and dates of acquisition by the group is given in Appendix "A" to the brief. The weekly newspapers were acquired or established with a view to their eventual conversion to dailies. Of the Company's 28 daily newspapers, 9 were acquired as weeklies and have been converted to dailies in line with the Company's policy of progressively developing its properties.

In every case the Company's daily newspapers are the only ones published in the cities or towns in which they appear. With the exception of the two newspapers in Charlotte-town, each of the Company's daily newspapers was alone in its field at the time it was acquired by the Company. As pointed out in the Company's brief, this is primarily a reflection of the fact that very few centres in North America are now served by more than one local newspaper.

It has been suggested that the prevalence of "one-newspaper" cities is disadvantageous to Canadian society, on the ground that two newspapers are better than one due to their ability to provide diversity of viewpoint. While this may be theoretically true, two factors should be noted. Firstly, the choice in smaller communities such as those in which the Company's newspapers are published would, in practice, be between one strong, profitable and hence independent newspaper and two weak and dependent ones. Secondly, no newspaper today has anything approaching a monopoly of information or opinion in any local area. Competition in supplying

information and opinion and in carrying advertising is provided by metropolitan and regional newspapers, magazine, radio and television and weekly newspapers. Details of this competition are given in the Company's brief.

You will be hearing this evening from publishers of two Thomson newspapers selected by your Committee who, like all publishers of Thomson newspapers, have full responsibility for the gathering, editing and presentation of news and information for their own newspapers. In addition, written briefs have been submitted by these two publishers and also by publishers of other Thomson newspapers at the invitation of the Committee. As you are no doubt aware from having read the briefs submitted, the basic philosophy of the Company is that the publishers of the individual newspapers and their editorial staffs should be completely independent of any inference from the Thomson head office in matters of news presentation and editorial policy.

In fact, it is fair to say that one of the fundamental ingredients in the success of Thomson Newspapers has been its insistence that the publishers of the individual newspapers should themselves decide how best to inform and serve the communities in which the newspapers are published.

The other ingredient which is basic to the Company's success has been its policy of making its individual newspapers independent and financially strong. A newspaper which is unprofitable or which has insufficient staff, or inadequate facilities and equipment, leads a precarious existence, often unable to increase the number of its readers and dependent for financial support upon various interests, some hostile to a free and unfettered dissemination of news and opinion.

The Company believes that editorial independence and public service lead to a financially strong newspaper. The Company's policy has been constantly to improve the quality of its newspapers and the Company believes it has been successful in so doing.

Since 1948, the Company has made capital expenditures on its Canadian newspaper properties totalling over \$13 million. It has replaced the buildings and much of the machinery and equipment used to produce over half its daily newspapers and made substantial renovations to the plant and equipment of most of the others.

To further improve the quality of its newspapers, the Company makes available to them a variety of centrally provided services such as columns dealing with provincial, national and international affairs, and news stories emanating from Ottawa and Toronto of local interest to the communities served by Thomson newspapers. Also, a wide range of feature material is provided. Each Thomson newspaper is, of course, entirely free to publish or not publish any of the material supplied.

To train staff in news presentation and the development of feature material the Company provides the publishers of its newspapers with training material prepared by experts in this area and makes available to them the services of on-staff consultants with considerable editorial experience.

In addition, the Company conducts periodic measurements of the news content of its newspapers to help ensure that sufficient stories and pictures are carried. The Company's brief contains comparisons of the number of news columns carried by Thomson newspapers in Canada and similar circulation newspapers in Canada and the United States. Comparisons are also made with United States newspapers as to numbers of pages printed, news and editorial expenses, numbers of editorial employees and salaries of editorial employees.

In each case the Company's newspapers compare favourably with their Canadian and United States counterparts. Information as to the average salary paid to Canadian editorial employees of non-Thomson Canadian newspapers of comparable size is not available but the Thomson editorial employees in Canada enjoy an average salary within \$90 per year of their United States counterparts despite generally higher salary ranges in the United States.

The Company recognizes that production of a good newspaper is to a large extent dependent upon the quality of staff. The Company follows two important policies regarding staffing. One is to make no changes in the staff of a newspaper upon its acquisition by the Company, and the second is to provide the best possible training for its staff. The Company believes that the average length of service of its employees provides an indication of their level of experience and competence and of their awareness that the Thomson group provides attractive opportunities for career advancement in the newspaper business. Publishers of Thomson newspapers in Canada currently have an average length of service with the Company or a predecessor of

over 24 years while the average length of service of the editors is over 16 years. The average length of service of all Canadian staff employed by the Company, including female clerical staff, is 9 years.

Perhaps the most objective measurement of quality of a newspaper is whether people buy that newspaper instead of a competitive newspaper. Examples are given in the Company's brief of the increased share of the market which Thomson newspapers have been able to obtain in various areas over competing metropolitan and regional newspapers. The Company recognizes that its newspapers must serve the people in the communities in which they are published, or perish. And it is, after all, the people who should be the judge.

Perhaps it would be appropriate now to say a few words about the trend toward group ownership of newspapers. In common with other businesses, the owner of a newspaper may have a number of reasons for deciding to sell it. In the first place, he may wish to retire and none of his family may be interested in continuing it. Secondly, he may feel that he does not have sufficient managerial or technical knowledge to continue to operate the newspaper. Thirdly, he may not have sufficient capital to provide the plant and equipment required to develop the newspaper so that it may adequately serve the needs of a growing community. I mentioned earlier that last month the Company acquired the Vernon News, a bi-weekly newspaper which has served Vernon, British Columbia for the past 78 years. The Company plans to convert this newspaper to daily publication in 1970. In announcing the sale to his readers the former owner made the following statement:

"Expert techniques and strong financing are the urgent requirements in giving birth to a daily. Thomson Newspapers will be in a position to fill both demands."

Lastly, and perhaps the most important reason why the owner of a newspaper may decide to sell it, is to pay or provide for death duties. It is my view that the trend towards the owners of small businesses selling them to larger corporations will be accelerated by the recently announced proposals for tax reform if these proposals are implemented. This is because the combined liabilities for death duties and capital gains taxes in respect of privately held businesses will make it increasingly difficult for such businesses to be passed on from one generation to another. Also, the Government proposes to remove

certain tax advantages presently enjoyed by small businesses.

Having decided to sell the owner of a newspaper has two basic alternatives:

Firstly, he can sell it to a newspaper publisher who is large enough to be able to pay a fair price and still have money left for development of the newspaper. Or, secondly, he can sell it to some organization totally unconnected with newspaper publishing—a grocery chain, a brewery, a bank, a newsprint manufacturer or some other organization likely to have the money and interest in controlling an organ of communication, information and opinion. He may very well question whether such an organization will have the knowledge and ability necessary so that his newspaper will be able to continue to serve the community in the manner which it did under his proprietorship. This, of course, is a consideration of prime importance to a man who has spent most of his life building up his newspaper to provide the highest possible standard of service to its community. Accordingly, it is likely that he will seek out a newspaper publishing organization with a reputation for running good newspapers.

In conclusion, I would like to read a few extracts from a letter written by Mr. C. J. Rowland, the Publisher of the *Penticton Herald*, to the Chairman of this Committee. This letter was written entirely of Mr. Rowland's own volition, and a copy sent to Mr. McCabe. I think it serves to counter many of the irresponsible and unsubstantiated statements made by persons such as Douglas Fisher who, for their own personal reasons, have set themselves up as critics of Thomson Newspapers. Perhaps I should mention in passing that Mr. Fisher himself admitted to this Committee that he never reads any of the Thomson newspapers, and I would therefore suggest to you that he is in a very poor position to judge their quality.

Reading now from Mr. Rowland's letter he says:

"This letter sums up hopefully in a short outline the convictions of my own 30 years experience in an admittedly modest sized market and newspaper, but one which duplicated so many times across the nation, should justify these few paragraphs, and the interest of your important Committee.

"My experience briefly is this: for many years I was the sole owner and publisher of the *Penticton Herald*. Since 1956 when I sold to the Thomson Organization I have remained

as the publisher. I have thus been able to study both phases of ownership. For the first seven years of the new ownership there were no profits whatsoever. Losses in some years were formidable. From 1964 onwards modest net profits have accumulated, but not until this year could it be said that the total net gain in operating statements offset accumulated losses, to say nothing of requisition costs and capital out lay. Meanwhile the community has had a regular annual infusion of much larger wage payments to a much larger staff, the basic cause of the draught in profit which I doubt would be contemplated by any other type of investor in this sized community.

"In knowledge of this background you may perhaps appreciate my recoil from the superficial type of criticism that the Thomson Organization, which has dealt so much with this size of the market, is cheap and repressive with regard to trend. I was the one who as publisher made more profit in my last year of publication as an owner than the Thomson interests have made in overall net in the past dozen years. And why? Basically because I had to overwork the smaller staff I underpaid.

"I cannot focus the whole matter more sharply than by confessing that. Thoughtless critics of any such group as the Thomsons should study parallel conditions in similar markets in independent newspapers."

Mr. Chairman, that concludes my remarks, and I believe Mr. McCabe would like to make a few comments.

Mr. Chairman: Thank you. Mr. McCabe?

Mr. McCabe: Well, Mr. Chairman, and honourable senators: I would like to make a few comments regarding the freedom of the press. The meaning of "freedom of the press" has been subject to considerable public discussion during the last few weeks, and it will be examined and discussed further by this Committee.

It is, of course, one of the human rights and fundamental freedoms guaranteed by the Canadian Bill of Rights. It implies a right to gather and transmit public news anywhere and everywhere without fetters. Thirty-one years ago this freedom was discussed in the Supreme Court of Canada by Chief Justice Duff. In his decision, which I understand held unconstitutional a provincial law which was passed, and I am quoting the words of the Act, "to insure the publication of accurate

news and information," in the course of his remarks...

The Chairman: Excuse me, Mr. McCabe, some of the people at the back of the room have asked that you speak a little louder.

Mr. McCabe: In the course of his remarks the Chief Justice pointed out that freedom of public discussion was, of course, a freedom governed by law. That this is subject to legal restrictions based upon considerations of decency and public order, such as those against defamation and sedition. He acknowledged that even within its legal rights it is liable to abuse. Nevertheless, he said, and I quote, "It is axiomatic that the practice of this right of public discussion of public affairs, notwithstanding its incidental mischief, is the breath of life for parliamentary institutions".

Now, it is against this background that we submit that any attempt to legislate separately for the press as against industry in general, would be deplorable in that it would strike at the whole principle of an independent press free from special administrative or judicial interference. We believe this to be the case whether the legislation is intended to provide a special benefit to the press, or to regulate, or restrict the press, or the ownership thereof in any way.

To give the Government of the day the right to interfere in the organization of the press in accordance with what may, for some reason of current political philosophies, be regarded as the public interest, is a principle with inherent dangers to freedom of thought and opinion.

Mr. Chairman, if there are any questions I would be delighted to answer, and if I may the questions could be directed to me. My associates and I are more or less here as a team and possibly we shall pass them from one to the other.

The Chairman: Senators, you have heard the request that Mr. McCabe would ask that the questions be directed to him; and feel free, sir, to ask the other members to answer them, or answer them yourself. I would remind the senators, in questioning, to be mindful of the fact that we are going to be receiving briefs and witnesses from two Thomson newspapers tonight, as mentioned by Mr. Tory. I would also say to the guests if there are any questions that you prefer not to answer in this kind of open forum, by all means say so.

Senator McElman?

Senator McElman: I am impressed by the conclusion of the remarks by Mr. Tory, quoting from the letter of the former owner of the *Pentiction Herald* in which he is disarmingly frank. Did he show a similar degree of frankness as owner by advising the people of Pentiction that he was underpaying and overworking the staff?

Mr. McCabe: I do not think it would ever occur to him in those circumstances.

Senator McElman: To this point in time, what do you consider to be the most significant contribution that the Thomson newspaper has made towards the improvement of journalism?

Mr. McCabe: Turning out good newspapers.

Senator McElman: Pardon?

Mr. McCabe: Turning out—publishing good newspapers, or enabling our publishers to publish good newspapers in their cities; and for the circulation, I think in comparison they are as good as anywhere—I am getting into deep water, but I think they are real good.

Senator McElman: There are many public statements recorded as made by the then Mr. Roy Thomson, now Lord Thomson of Fleet, which made it very clear that his primary, or principal aim in acquiring ownership of media was to make money. Let me say immediately that I admire greatly the frankness with which he has spoken, and my question is, of course, under its current ownership has the emphasis and purpose changed? and if so, in what direction and to what extent?

Mr. McCabe: We are certainly in business to make money, we are a public company, we have a responsibility to our shareholders as well as to employees, and I think that is a pretty good force to encourage you to turn out a good newspaper. You cannot fool anybody if your newspaper is not any good. It is not going to be successful, and if we have had any success, it is as Mr. Rowland says—by improving that newspaper property, converting into a daily, increasing substantially the staff, we make a better newspaper; and eventually, although I will admit that in that case it took a long time, we made some money. And I suspect it will go on, and I think we have built a relatively substantial asset for our shareholders.

Senator McElman: What direction, in particular, has emphasis taken beyond the commercial business effort?

Mr. McCabe: I do not follow you.

The Chairman: Would you like to perhaps expand upon the question, Senator, please?

Senator McElman: Well, I note from your brief that there is great emphasis on the generalized services that are provided, and so on?

Mr. McCabe: We endeavour to contribute in every direction to our individual publishers. Now, again, we sit down with our publishers once a year at the annual meeting and that is virtually like a shareholders' meeting, but beyond this our consultants—and I think we have some pretty good ones—are available, whether it is circulation, advertising, editorial, mechanical. This is quite a problem to a lot of people, and they can call on these, but these people have no authority over any of our publishers. They cannot say you must print your paper this way, or distribute your papers that way. They will advise, and I will admit some of them are pretty good advisers, and they make their point—I hope they do.

Senator McElman: Your brief appears to favour a press council; if I am wrong, tell me?

Mr. McCabe: Oh, you certainly, certainly are. I am sorry.

Senator McElman: At the national level, do you?

Mr. McCabe: At no level would I favour personally a press council.

Senator McElman: Should it be broken down?

Mr. McCabe: Look, I have been involved all my life in the smaller newspaper cities. The publishers of our newspapers have an open door literally, and that is a telephone, and they are available to their subscribers at any time, and believe me—they hear from them. As a publisher of a paper, operating a newspaper, I have been called at one o'clock in the morning if they did not get their newspaper that night. I did not do anything about it in that particular case, I don't think.

Senator McElman: You did not deliver!

Mr. McCabe: But from that point on, up to large pressure groups coming and complain-

ing about this or that, you live next door to your subscriber in a non-metropolitan city; and frankly I have read about the three-tier, the one-tier, and the national. I suspect to a degree this may be coming from people that may be slightly, and I say this—may be a wee bit facetious, and who have a guilty conscience, because I like to think the non-metropolitan press in Canada does not flaunt the news, doesn't slant the news, and they are truly a newspaper of record in that community because—my goodness, we would like to get more news of local affairs if we could.

Now, Miss Hamilton has just handed me something that is a comment from one of our publishers. It is very short. In our opinion the British press council is a face-saving organization which does not prevent the British press from including some of the most sensational and vulgar newspapers. We do not believe that any council of any kind can be a substitute for the conscience of individual publishers.

The Chairman: Would it be fair to ask which publisher?

Mr. McCabe: Yes, Orillia—a very good and responsible publisher. This newspaper is very much aware of its responsibilities to reflect all sides of public controversy, and welcomes and publishes without any deletions of any kind of comments submitted by readers, limited only by considerations of libel, and good taste.

Senator McElman: Do you have at the head office level a written or unwritten, but understood code of ethics that must be followed by your members?

Mr. McCabe: Common sense.

Senator McElman: Good taste?

Mr. McCabe: Good taste and common sense, yes. We like to think that the people we appoint to operate our newspapers have certain standards, and since most of our appointments are from the ranks over a period of time up through our organization, such as Margaret Hamilton, the chaps here, and most of the publishers come through our organizations. You know them pretty well, you know that when they get into a position of responsibility and trust, they are not going to go off the deep end.

The Chairman: I do not think Senator McElman is clear on the answer, which is that there is not any written code of ethics? Is that it?

Mr. McCabe: Yes.

Senator McElman: Yes, I understood that. The reason I asked that question, Mr. Chairman, is that this group in its acquisitions, has more in numbers, it has gone to a great variety geographically and otherwise, getting weeklies and raising them to dailies; they constitute daily influence upon public opinion in their area, and it says very clearly in its brief that it does not change the staff: that is it retains the current staff, but I should think in the course of that, you would acquire some pretty strange cats along the way?

Mr. McCabe: You are right. You see we do not like after all...

Senator McElman: Do you just let them go on their own code?

Mr. McCabe: I think we have a responsibility to the public to operate and do the best we can with the material. He may have to strengthen the staff, or change, I think you can understand that—say in a town such as one of ours if we let somebody go, and I am being brutally frank here, if we let somebody go that has been there ten or fifteen years it is not good public relations, but I think we have responsible publishers—I think, Margaret, you can think of several cases.

Miss Hamilton: I am thinking of the Senator's comments about a "pretty strange breed of cats". Most of us do consider ourselves as that, and this is probably...

The Chairman: Some are stranger than others!

Mr. McCabe: We like to think that too.

Senator McElman: Along this same line of ethics, we have had rather conflicting views as to what protections in law there should be for journalists, and protecting the secrecy of the source, and so forth. What would be your view?

Mr. McCabe: Well, I am sure...

Senator McElman: I am thinking of criminal law involvement?

Mr. McCabe: Protecting the source of news?

Senator McElman: Yes?

Mr. McCabe: I am sure that some of the working press in the room—it would be divided about half and half—whether they would agree.

The Chairman: Would you care to say what you think?

Mr. McCabe: I think it is dangerous to fool around with that sort of thing. I think it is a nice thought, but I can see possible misuses, and I would be a little concerned if—you know it is always dangerous when we fuss with fundamentals, and to give a special privilege to anybody whatever the set of circumstances are, whatever position in society—I think it is something that a lot of thought has to be given to. I don't think there has been enough thought given to this. I would say that I have heard about it for years. This is an old one.

Senator McElman: In current situations, of course, it is up to the courts to decide whether it is vitally important that the source be revealed. It is not up to the journalist to decide, but the court to decide? Then of course, the consequence, contempt or non-contempt decision on it? This is how you feel?

Mr. McCabe: This is a mighty good place for it. I would like to see it there I think. I am talking as an individual.

The Chairman: Would you mind, sir, if we were to ask Mr. Tory to comment on that?

Mr. McCabe: He would probably disagree with me.

Mr. Tory: No, I think I agree with Mr. McCabe. I think that any special privileges have to be very carefully considered before they are granted, and I think that the abuse that Mr. McCabe was referring to there was absolute privilege to refuse to disclose a source. This could be very serious in some situations, and I think the existing system, as you have described it, is perhaps the best we can do in the circumstances. It may not be perfect, but...

Senator Prowse: May I ask a supplementary question?

The Chairman: Yes, go ahead Senator.

Senator Prowse: Does your concern arise out of the fact that privilege given a newspaper man would not go just to the newspaper men that normally we have around here, or perhaps the ones you would like to think you are hiring; but it would go to anybody who is in the publishing business?

Mr. McCabe: I had not thought about that much, but why should any segment of

society get any special privilege from the government, or penalty for that matter? We are all Canadians, this is it; and I would like to see a reporter who has the initiative dig up a story and say—look I just cannot print this. It might limit that but I think the number of stories it will lose in the process will be rather few—when you look at it in the broader. Now, again I am no authority for goodness' sake.

Senator Prowse: Well, you deal with it.

Senator McElman: I note, Mr. McCabe, that your chain is divesting itself of broadcasting interests? Is that a particular philosophy, or basic reasoning?

Mr. McCabe: Senator, for years I advocated it, and I hope I have finally won. I don't think any newspaper organization should have a government license. I think we must be free in every possible respect. Now, this is only my opinion. I don't think Roy Thomson, nor Ken Thomson, or for that matter John Tory—I think I have convinced Margaret Hamilton, but this is a very argumentative thing. Now, I am reciting only my personal viewpoint and I have expressed this in our own directors' meetings for many, many years. I don't mean to say that is the entire reason why the Thomson family—mind you the Thomson Newspapers Limited never, ever were involved in the radio business. I have no—for example the radio interest owned by the Thomson family, they have an office in our building and I say "good morning" to the chap who operates it, but I think once I saw a statement of his. I might be concerned about learning something about the market, and maybe I got it out the back door, but that is our relationship.

Mr. Tory: If I might comment, I think the major factor in the decision was the likelihood of continually increasing government inference in the control of the broadcasting media. I think that was a very major factor in the decision.

Senator McElman: It was not just that you do not favour cross-ownership of media, but because of the license and control aspect of things?

Mr. McCabe: In the broadcasting.

Mr. Tory: I would say that is much more significant than the cross-ownership of the media. I have not heard any of the Thomson family members, or Mr. McCabe, or anybody else express any opinion on that last subject.

Senator McElman: In that light why are you still in the cable television area?

Mr. McCabe: I think there is some small—John, may be you can answer that—that is entirely a matter of the Thomson family with which I am not involved.

The Chairman: John, do you want to answer that?

Mr. Tory: Yes. I think the brief indicates that there is one continuing interest, Paragraph 8.

The Chairman: Paragraph 8?

Mr. Tory: Yes. Now, the area referred to there is Richmond Hill, Markham and Vaughan where the Thomson family—it is actually one of the children of Mr. K. R. Thomson, owns 50 per cent of the shares of this cable T. V. system that is referred to; and I believe the only other potential interest is that the same company is involved in an application for cable T. V. in the Sudbury area.

Mr. McCabe: I might say this, when writing our brief we almost forgot about that—that is how much I know. I did know the family was interested in it, but to make a statement about broadcasting, and forget something—that is how concerned I was about it.

Senator McElman: To the extent it is involved thus far, licensing and so on is probably not that great a problem, but would you see cable television as a real problem to us because of licensing? Or other aspects of it in relation to ownership?

Mr. McCabe: I don't think so. I should say this, that in the United States we have one division there where it does happen to own 10% of a cable T.V. here and 50% there, and I think in only one case we own one outright, and I do not think the total makes any difference at all. It is a pretty mechanical sort of thing. I don't know enough about it to look at it as a creative business related to T.V. and broadcasting.

Senator McElman: I might comment that in my opinion on the basis of information that we have learned, I would judge that cable television is going to be the communication area of the future.

Mr. McCabe: I have heard—I don't necessarily—I do not mean to disagree with you Senator, but I do not necessarily think so.

Senator McElman: It was an opinion.

Mr. McCabe: It is only an opinion as of the moment. I think it is great stuff, and probably very profitable, a very profitable business—but I don't know where it is going.

The Chairman: Senator, I would like to ask a question on the broadcasting; are you leaving that to turn to another subject?

Senator McElman: Go ahead, Mr. Chairman.

The Chairman: I would like to ask Mr. Tory, surely you believe in some degree of government control in broadcasting? Or is your condemnation blanket?

Mr. Tory: No, no. I agree there should be some government control because there is a limited number of airwaves. I don't disagree with the control; I just said that might be the principal factor in the decision itself.

The Chairman: Do you think that control has become more strict under the new C.R.T.C.?

Mr. Tory: Well, that is very difficult to say. I think the prospect is that the controls will become more strict, and perhaps have become more strict.

The Chairman: I think in fairness they have, and I am wondering if that is a factor for the decision?

Mr. Tory: Well, to the extent that Government control is a factor, then what you suggest is a factor, yes.

The Chairman: I merely wanted to assure myself that you are not against the idea of some form of government control in broadcasting, because I think it is essential.

Senator Prowse, on broadcasting?

Senator Prowse: Well, on this one question, supplemental—I was under the impression, Mr. McCabe, that the reason the Thomson publishing chain was divesting itself of its connections in this regard was because there was government control in the one area, and of necessity they would be looking at that in the possibility that it would perhaps impinge perhaps into the publishing areas? Did I misunderstand?

Mr. McCabe: Well, I never thought—it is remote.

The Chairman: Oh, I think that is going too far, I do not think that was said.

Mr. Tory: If I may say so, it should be understood that where the broadcasting interests are in large part, is not the same places where there are publishing interests.

The Chairman: Senator McElman?

Senator McElman: On cross-media ownership, assumedly there would be some level, thinking of the Canadian public interest—that wonderful term like “motherhood”—where concentration of ownership in one of the media would be undesirable, for instance if one chain had control across the nation. Could you tell us, in your opinion, what level that might be—concentration of the ownership, let us say in the print media?

Mr. McCabe: Do you mean how many of the newspapers—or half the newspapers?

Senator McElman: Not necessarily how many, or whether it is half, but there are other criteria. What would be your view?

Mr. McCabe: Well, I do not know exactly if I understand the point.

The Chairman: Then you should not try and answer if you do not understand the question. I think you should make it clear, do you want to perhaps restate the question, Senator?

Senator McElman: Well, it has been stated that it would be undesirable if one chain owned all of the dailies in Canada. Well, probably none of us would disagree with that. That was also expressed last evening that it would be undesirable if one group, or chain owned all of the dailies in one province, or one region. It would be undesirable if one group owned all of the dailies in metropolitan Toronto. What is your opinion?

Mr. McCabe: Well, I do not know that the latter would be so bad. I do not know where you stop in this sort of thing; as far as I am concerned—how many more papers are you going to buy?—we look at each one of these individually, and if we can contribute to a newspaper and it becomes a more—if we think it will become a more successful, more viable enterprise under our ownership, we look at it—and, possibly we buy it—not always, and that is our approach to the multiple ownership.

Senator McElman: Let us look at the current situation I will make the bald statement it would be undesirable if one chain had all the dailies in Ontario?

Mr. McCabe: I agree with that.

Senator Everett: Well, Senator McElman is making these statements as a matter of personal belief, not as the Committee's belief.

Senator Prowse: Well, every Member of the Committee...

The Chairman: I think that every Senator has...

Senator Everett: Well, he prefaced his remarks by saying that “we all agree”, and I want the record to state that we might not all agree.

The Chairman: Well, if I may comment, I think Senator McElman's “we” was not—I do not think he intended it as a reference to the Committee, I am sure he did not. It was a general statement.

Senator McElman: Let me make it clear, it was a figure of speech.

The Chairman: I am sure we would all agree.

Senator McElman: O.K. I am venturing a personal view, it would be undesirable if one chain owned all of the dailies in Canada, and that is my personal view.

The Chairman: Then you said “Ontario”, and the witness to that said yes, he would agree with you, so we go on from there.

Mr. McCabe: I may be getting myself into deep water here because I think we own all the newspapers in Prince Edward Island. In this province thing—I do not want to go too far. Now, there is now a daily paper in Summerside which there was not previously, but I think it is a little different in the smaller provinces—the reason I say Ontario is because there are so many newspapers and it would be quite a chore; I think of—the smaller provinces; it is a different kettle of fish.

Senator McElman: I was wondering if you would have any views, since you have an aversion in this field, as many of us have—again my opinion—to government intervention in this area. How in the structure of society we live in, how could we prevent this happening?

Mr. McCabe: Well, I do not think preventing everything that you might, or I might think, or somebody else might think—is bad. I mean we have to live with these things as

facts of life. I get worried when we try to prevent things. You are asking me, sir: I am always worried about government going to prevent something. In fact I think government should perform that function—and very well in Canada—and leave us alone. I am not a Gladstone liberal, but..

The Chairman: Could I just ask the witness one question? This is in answer to one of the questions of Senator McElman that you gave earlier; I would like to make sure that I heard you correctly. You said that you did not think—now, I do not want to put words in your mouth, and please correct me if I am wrong. You said that you did not think it would be a bad thing if one person owned all of the dailies, the daily newspapers in Toronto. Do you think it would be socially desirable?

Mr. McCabe: Well, who am I to say?

The Chairman: You are a very important man in journalism in Canada. I think you can express that opinion.

Mr. McCabe: I think that a set of circumstances—I want a good newspaper in Toronto, I do not care how many newspapers there are in Toronto, I want a good newspaper that gives me an honest news report, gives me a sensible report—and a sensible editorial opinion. I can think of a city that is almost big enough to have two or three papers, based on some of the conversation you hear today. I think the Hamilton Spectator is one of the best in Canada today.

The Chairman: But with respect, I think you are evading my question, which is really Senator McElman's question. I feel, if you will forgive me, following up his question, do you think it would be socially desirable to have all of the newspapers, the only newspapers in Toronto owned by one person?

Mr. McCabe: All of the three daily newspapers?

The Chairman: Yes.

Mr. McCabe: No, I think what would probably happen would be a morning and evening newspaper. I was imagining that set of circumstances, that a newspaper follows...

The Chairman: Well, do you think that would be socially desirable?

Mr. McCabe: I think it is better being owned by two people—you see Mr. Chairman, I think if it is a good newspaper it would be

better than having two newspapers that were not turning out good newspapers, and this has happened.

The Chairman: What do you think of the three newspapers in Toronto at the present time?

Mr. McCabe: I would just—well, I think they are excellent; I am a reader of all three.

Mr. Tory: I suggest he plead the Fifth.

The Chairman: You suggest he plead the Fifth. Yes, Senator McElman?

Senator McElman: Thank you, Mr. Chairman, I am not attempting to downgrade the witnesses in any sense when I ask why do not have some of your editorial representations here today, sir? It was specifically requested.

Mr. McCabe: Well, they invited the Thomson Newspapers Limited, and we are a corporate organization, or we have, as I say, an editorial consultant in Toronto, they have no editorial authority—why would I bring them?

Mr. Chairman: I think that is a satisfactory answer.

Mr. McCabe: I took that for granted.

Senator McElman: I am simply referring to the terms, and wondering. I thought probably it was...

Mr. McCabe: Sir, I did not know.

Senator McElman: I touched a moment ago on the matter of future technology; have you any particular in-depth studies on this? Such as the facsimile press, and the impact they may very well have on dailies as we now know them, format, and so on?

Mr. McCabe: Well, you know Miss Hamilton of our organization has a filing cabinet, and three drawers are so crammed with everything we can find...

The Chairman: Excuse me, Mr. McCabe, some of the people at the back keep indicating that they cannot hear. I wonder if you could speak a little louder.

Mr. McCabe: It is very difficult to speculate what the future is going to be. You mention facsimile, I believe. I doubt that facsimile for some time is going to be a big force. Mr. Tory gave me a clipping out of a British paper the other day. I put it in my bag to read—there has not been anything new. The Japanese have been fooling with it for a long time. I

believe. I think as far as new processes are concerned I think the offset, the computer, and various other gadgets are certainly worth looking at, and this is what we are constantly watching. We have installed some small computers in some of our markets where there is, should we say, a lot of straight matter type to set up: and what have we, Margaret?—eight or ten of them I guess?

Miss Hamilton: (Indicating in the affirmative.)

Mr. McCabe: And we have one daily, one weekly, and one three times a week newspaper operating on offset presses in Canada. And it has not proved anything to me. I think that this talk about offset presses is—they are presently on the market—they are there—but I think could conceivably be by-passed entirely.

Miss Hamilton: I think that one of the problems—or there are two problems—with facsimile is the cost of the receiver which has been moving into a more reasonable area recently through the Japanese experiments; but I think the problem is no one has found a way yet to make facsimile sound economically because of its limited ability to carry advertising, and even though it is well-known fundamentally in the press that the reader does not pay for the news that he gets—the advertiser does. I think it is this limiting factor certainly for the present time, and for perhaps many more years to come for facsimile being at all a viable method of transmitting the news.

Mr. McCabe: Also I think it very important, Miss Hamilton touched on it, that advertising in that facsimile newspaper because I found from experience that if I don't have advertising—if I don't have what is going on at that department store—my circulation doesn't hold so well. The advertising is important to sustaining your circulation, and almost as much as the news.

Senator McElman: Your group, I think, is noteworthy for the attention it pays to measurement and research data, and so on: as part of that do you have measurements of the age groups of your readership in specific areas?

The Chairman: Miss Hamilton?

Miss Hamilton: I think that perhaps the answer to that in our newspapers, because we are publishing in small towns. The age group, basically of our readers pretty well follows

the particular age group of people in that community. It is not as if it is a case as for instance in Toronto, or London where one of the newspapers might appeal to the teenagers more than another. So it is not a factor of importance in our approach to publishing.

Mr. McCabe: This information is available in various publications in Canada. I think even in the individual market, I think our advertising people use it to promote the sale of advertising to a certain classification.

Senator McElman: Well, there are some of your market areas where the metropolitan dailies share, of course, with your circulation and your market field: and what I was wondering was whether you had any way of measuring whether the content of your papers in such areas was really as relevant as it should be to the younger generation today? And if it was not...

Mr. McCabe: This is something we would encourage a local publisher to do. Really we want to leave this alone as much as possible or we are running these newspapers, and I am very careful at all times not to run a newspaper. I have enough to do as it is.

Senator McElman: Any reference to underground press then would be better discussed with your people who come from the local newspapers themselves?

Mr. McCabe: I guess you are right.

Senator McElman: I notice that your group seems to have a trend, if not tell me, that it is reducing the disparity in rates between local and national advertising more than the others are doing. Is there some particular basis for this?

Mr. McCabe: I think finally it would be—it will be better business if we can do it. I don't think we have been all that successful. I think we have been successful to some degree, but it is something we would like to do.

Senator McElman: There is something I have not been able to determine, is the leveling process up to the national?—or down towards the local?

Mr. McCabe: I am afraid it would be—we have several newspapers and they all do have different rate structures because each community has a different mercantile set-up; and I mean I just never thought of that. I am not that familiar at the moment with our advertising rate structures as I used to be.

Senator McElman: There are none of the witnesses who would be able to say?

Miss Hamilton: I think it is a difficult question because once again advertising rates are set by each of our individual newspapers individually. I think sometime ago, probably going back now as far as ten or fifteen years ago, many of the newspapers in Canada, if not all of them, inclined towards the approach of narrowing the gap between national advertising and local advertising rates. I do not think it was ever a policy decision made at any one level of operation.

The Chairman: Senator, there are some of your colleagues who have indicated they wish to ask questions. I am not limiting or halting you; however, do you have many more questions?

Senator McElman: Yes, numerous.

The Chairman: It may not be that you can complete them on the first round, but go ahead for several more.

Senator McElman: In your measurement process, it is apparent from your brief and other material, that your head office procedures involve a great deal of continuing measurement of the member papers on news lineage versus advertising lineage, and so on. What checks do you make on the quality versus the quantity?

Mr. McCabe: We do not have that many checks even if we do measure, or count the stories. Many of the other figures that were in our brief were simply taken and developed with other facts where we could get some significant figures—further information. The quality of our newspapers is something that is constantly discussed, and I don't think there is any mechanical machinery you can set up to guarantee quality; if there was I would sure be interested in acquiring it.

Now, Miss Hamilton has brought here, and I do not want to bore you with any of this sort of thing, but some of the staff training material we use in our organization. It is chiefly editorial and training material, and information we supply to our people that encourage this quality...

The Chairman: Would you leave us some of these?

Mr. McCabe: Sure, we'd be delighted.

Miss Hamilton: Would you like me to mention two or three of the kinds?

The Chairman: Yes, by all means, go ahead.

Miss Hamilton: Well, I think there are two things that we do in this area of providing training material, as such, for beginners in the journalism field: we also do some of this in advertising, but we have put a great deal of thought over the years into this whole area of "How do you develop good reporters, good news people?" So we have several pieces of training material. The ones we are using at the moment are, for instance, this course, The editorial Trainee Lecture Course which is a course of thirty lectures prepared by Colin McConachie who at the time he prepared it was the managing editor of the Moose Jaw newspaper, and just simply what it seems, it is a course of study. I might say that now Mr. McConachie is one of our consultants in Toronto. He is a graduate of the Carleton School of Journalism. We prepare small aids; this is a sort of handbook, a reporter's check list for news stories. The sort of thing a reporter can carry with him when he is covering a story. It gives him specially—this is young reporters—it gives him immediate reference to the kinds of thing that he should be finding to have a complete story.

Then on a continuing basis, our staff in Toronto do things like this—this would probably go out on an annual basis; good local features are always interesting, let's run more of them regularly. These are simply sent in quantity to the newspapers. What they are, frankly, are a complete round-up of all of the local feature ideas that have been carried in all of the Thomson newspapers for the previous several months, or a year, so that the newspaper in Guelph, as a location in point, might hit upon an idea of some kind of approach to some local feature, that the Prince Albert paper has developed. You know there are not too many new ideas in our business or any other business for that matter, the big trick is to be able to pirate other people's ideas and make good use of them; and this we feel helps the publisher keep in front of his editors for the development of local features. We send things out, for instance here, just a week or two ago an exchange of ideas for Christmas stories and features. How do you develop the Christmas theme, motive how you cover the news relating to Christmas? Suggestions for Christmas pictures suggestions from top photographers of how they make topics of Christmas events. Those go out quite frequently, that kind of thing.

Then we provide other training material. For instance this is a list of words that

Reporters have trouble distinguishing the precise meanings of, and suggestions to help reporters improve.

The Chairman: What would be two of those words, just for fun?

Miss Hamilton: Well, for instance "quit" and "relinquish". With "quit" it has the over-tone of giving-up, or running out, and quit suggests a renunciation. Things like forbear, and forbear. This is the kind of thing. I have not looked but I am sure flout and flaunt are here because you see more people misuse that word in papers than most words. This is good and bad news writing. The causes of most sloppy news writing. Says how to produce good reporters and prominent editors, and it is picked up not only from our editors but other editors.

Mr. McCabe: Some are elementary, and some are sophisticated. Editing of copy.

Miss Hamilton: These are not the fundamentals of copy writing but the little kinds of minor problems. Like when you say "in view of the fact", it is only a long way of saying "because". This sort of thing that makes a good reporter out of a mediocre—not the only thing, but one of the things.

The Chairman: Thank you.

Senator Everett: I just want to interject here just to ask if Mr. McCabe has his last published financial statement with him?

Mr. McCabe: We almost didn't.

Mr. Tory: I have a copy of Thomson Newspapers Limited consolidated financial statements.

Senator McElman: May we ask that be filed with the Committee?

Senator Everett: That is confidential information?

Mr. Tory: I should mention this consolidates the results of operations of all the United States newspapers, and we do not make available separate information regarding the Canadian and U.S. operations but we are happy to file it with the Committee; but it does make a clear picture of all the Canadian operations from looking at this statement. Perhaps I could keep it until the end of the hearing?

The Chairman: Yes, we are delighted to have it.

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Senator Everett: I wonder if I could have a look at it, if it is filed now?

The Chairman: Do you want to see it now, Senator Everett? Do you mind, John?

Mr. Tory: No. (Producing same.)

The Chairman: May I go back to Senator McElman then? Senator McElman?

Senator McElman: On the matter of salaries, and in your brief, page 17 on this, do you have the actual comparisons that you filed with the Committee because I am unable to determine here whether the comparisons on salaries to Canadian Thomson groups were made with Thomson papers in the States? others? or a mixture?

Mr. McCabe: Could I just say this, the only place we could get the comparable information was from an organization in the United States. It has a tremendous number of newspapers in the United States. We took—was it 71 newspapers?

Miss Hamilton: Yes, in the circulation group involved, between ten thousand and nineteen thousand. The American figures represent the average of salaries paid in the seventy-one daily newspapers as compared—and I suppose maybe two of those seventy-one might be Thomson newspapers in the States—as compared with all of our newspapers in the same circulation range.

Mr. McCabe: Could I say this, the only possible place we could get good comparisons, these are not our newspapers in the United States: this is a cross-section of members of this association filing this information. I asked them if I could use the information, and they said, sure, but don't publicly state where you got it. Now, I am delighted to tell the Committee where we got it, it is quite a responsible source, but I'd just as soon...

Senator Prowse: You would like to protect your source? We will respect that.

Senator McElman: Then on this basis we could not get a breakdown of the various ranges from your lower paid staff up through the various types of work to the higher staff?

Mr. McCabe: You see each paper operates on its...

Senator McElman: It is just a lumping average then I take it?

Mr. McCabe: Yes.

Miss Hamilton: Of editorial staff.

Senator McElman: All right, Now, how many of your newspapers in Canada have labour contracts with their employees?

Mr. McCabe: It is in the brief I believe.

Miss Hamilton: In Canada? Did you ask?

Senator McElman: Yes, in Canada.

Miss Hamilton: I know that we have signed 175 contracts in the last ten years.

Senator McElman: Paragraph 57 of the brief...

Miss Hamilton: How many of our newspapers have—let me put it this way, of our daily newspapers I believe there are only two who do not have contracts with Unions. Now, I might be out by one but just off the top of my head...

Senator McElman: How many of these are with craft unions, and how many with Guild?

Miss Hamilton: We have only one contract with the Guild in Canada.

Mr. McCabe: Should we explain why?

The Chairman: Where is that?

Mr. McCabe: Oshawa.

The Chairman: Oh, yes. Oshawa, of course.

Mr. McCabe: I think I should say this, in 1968 the American newspapers filed with the American Newspapers Publishers' Association 7938 contracts. Now, that includes Canadian newspapers as well who are members. It is not all of them but it is a substantial—of this number 8.6 were The American Newspaper Guild—and well, I won't get into that. I believe the Guild have 137 contracts in toto, and they have 21 contracts with newspapers under 25,000—circulation under 25,000. There are 1,225 newspapers in that category in the United States itself. I think they do much better in Canada probably than...

Senator McElman: All of the negotiations in labour management contracts and agreements, are they done at the local level, or is there some stage where head office consultation takes place?

Mr. McCabe: I got pulled into a strike in Oshawa with the Guild—oh, five years ago—simply because we did not want them to stay out on strike. There was nothing else to do—so I tried to assist the publisher. I have

been called in in the past, not in recent years, I don't think I'd become involved now, life is too short. We do have in Toronto a Canadian newspaper man, very competent young man who operates one of our newspapers, who has made it his business to become acquainted with labour legislation. He deals regularly with publishers where they have brought in an international labour representative, and also he supplies them certain information because our people are not essentially labour negotiators, professional labour negotiators and when a professional comes in, it is only natural that they should have somebody assist them.

Senator McElman: We have already had a witness before us the American Newspaper Guild, and needless to say they gave you a pretty hard time, your organization. They referred in particular to the Peterborough *Examiner* situation, and both in the brief and in the testimony it was suggested that they got a very rough kind of deal, and the only news of the strike published in the *Examiner* was a news story on the beginning day of the strike plus two full pages of advertising, giving the management position, and then after the demise of the strike itself, without any contract being signed, that there was no publication of this fact whatsoever although in Toronto some 90 miles away there was continuing coverage throughout the whole of the strike?

Mr. McCabe: Yes...

Senator McElman: Let me come to my question if you would. Would you consider that this would be an area in which head office might be interested in suggesting to the local people, not what they do in the course of the strike, but on their advising of the public of what was going on?

Mr. McCabe: No, I am not running the newspaper.

Senator McElman: I appreciate that.

Mr. McCabe: Bill Garner might say—what do you think of this? And I'd say one thing or another. In relation to this Guild thing maybe this is the right time, I think Mr. Chairman, if you permit me, rather than—can't answer on behalf of the Peterborough *Examiner* because I was not involved in this but we have some observations to make that were made here in this hearing, statements made here in this hearing about our company and I would like to correct the record.

The Chairman: Do you want to do that now?

Senator McElman: I think you should have the opportunity.

The Chairman: Miss Hamilton, that looks like a long statement. I am not objecting to the fact it is long, but I thought we might adjourn before you...

Miss Hamilton: It sounds like an excellent idea.

The Chairman: Well, I am not suggesting that we adjourn for the afternoon, I am suggesting we adjourn for five minutes.

Miss Hamilton: It will take about five minutes to read.

The Chairman: Why don't you read it, and then we shall adjourn for the five minutes.

Miss Hamilton: Yes.

"Some of the comments in the American Newspaper Guild's brief concerned us in that they may have given this Committee a very incorrect impression in several areas.

"In paragraph 24, the brief states 'Most provincial newspapers employ relatively few people, particularly in editorial departments where wire service copy comprises the bulk of news content'.

"This statement simply is not factual. Although provincial newspapers do carry a good quantity of wire news, the amount of space devoted to local news and local features almost always equals or exceeds that devoted to wire service copy.

"I believe paragraph 25 is sufficiently unclear to be misleading. It says 'The young reporter joins the news staff of a daily from a journalism school or weekly newspaper. Minimum beginners' salaries under Guild contracts currently range from \$118.84 weekly at the *Toronto Telegram* to \$75.40 weekly at the *Oshawa Times*.

It seems to me that this intimates that a journalism graduate or experienced reporter from a weekly joining the *Oshawa Times* would be paid \$75.40. This is not true—and certainly is not the way either the Guild or the editor of the *Oshawa Times* in fact interpret the contract. The minimum salary is paid to apprentice reporters who have absolutely no journalism education or newspaper reporting experience. In other words that salary is applied only to a young boy or girl who is a beginning apprentice.

"In paragraph 27, in referring to Peterborough, Mr. Ogilvie quoted a salary figure relating to a top general reporter 'and to other reporters with comparable experience and long service'. He then illustrated his comment by saying 'one employee with 22 years service received \$105 weekly'. The employee he referred to, I find in checking with the Peterborough management, was not a reporter. She was doing work which in some Guild contracts carries a scale as low as 65% or 70% of the reporter scale.

"In comparing a salary for a reporter in effect at the time of certification with a rate for printers, the brief uses the printers' rate which was not in effect until almost a year later.

"In paragraph 28, the statement is made that Peterborough 'adamantly refused such standard conditions as the eight hour day and paid overtime.' This would seem to indicate that the eight hour day was refused as well as paid overtime.

"The facts are that the original contract proposals of management to the Guild included provision for a 40-hour work week and for equal time off to cover any additional hours required in any work week. Incidentally, at that time the Guild was demanding a four day 28 hour week and overtime beyond 20 hours a week, and 7 hours a day, with all decisions as to hours and time of work being made 2 weeks in advance."

The Chairman: That was the sum of the statement. Thank you.

Senator McElman: Could we have that statement filed so that we have it with the other record?

The Chairman: Well, the statement is handwritten, and we shall have it from the reporter, but I do not think it is possible for us to have it right now, Senator, I am sorry.

Senator McElman: I did not want it right now.

The Chairman: Well, the reporter will have it, yes; and would you like a copy of the Guild's submission to look at?

Senator McElman: No, I have that, thank you.

The Chairman: Oh, you have that, fine. Well, I think we will proceed with the questions on this comment and then we'll adjourn. **Senator McElman?**

Senator McElman: No, no questions.

The Chairman: None. Are there any questions that Senators have on the statement?
(No answer.)

The Chairman: That being so, it is five to four, we'll adjourn and reconvene at four o'clock.

(Four o'clock p.m. December 18th., 1969.)

The Chairman: Senators, I would like to reconvene the session; and I think for the record we should note with respect that the question Senator McElman asked the witness was not really answered. Not that you evaded it, but perhaps it will be answered in the evening, because this all began with a question on the extent of coverage of the strike in Peterborough on the *Examiner*, and that will be dealt with tonight as I understand it. Senator McElman, perhaps I could return to you in a few minutes...

Senator McElman: Well, on that very point.

The Chairman: All right.

Senator McElman: You were familiar with the coverage, I take it; would this be a fair presentation?

Mr. McCabe: I was more familiar with the coverage in Toronto, in the Toronto papers, because I live in Toronto; and I think it is unfortunate that a lot of labour disputes, they often carry one-sided reports, one side or another, and management does not make statements for some obvious reasons.

The Chairman: An incredible statement; I accept it of course, and I am not being argumentative but do you mean to say, and if you do say so of course, that you would not read the Peterborough *Examiner* every day?

Mr. McCabe: Well, I am away, and there would be four copies, and sometimes you know they don't arrive too promptly, and as a result I don't. We have quite a few newspapers and there is always something of significance. I do admit that I looked at the Peterborough *Examiner* during the course of the strike certainly.

The Chairman: I would be surprised if you did not.

Senator McElman: What I would like to get to is, that if you happened to be away at this particular time, Mr. McCabe, would there be

anybody at head office who would take a sufficient interest, let us call it for want of a better term, editorial integrity, that they would make some comment, not necessarily at the time, but afterwards?

Mr. McCabe: I think during the strike, you are not going to be telling Bill Garner, who is there twenty-four hours literally on some days, how to behave. I am going to depend on him, and I have a lot of confidence in him, and I think he performed very well during that situation. Far be it from me, and I would be quite upset if somebody was bugging him in our office in Toronto.

Senator McElman: Let us say after the event?

Mr. McCabe: Oh, I think this thing was kicked around quite a bit, would I not be right, Margaret?

Miss Hamilton: (Indicating in the affirmative.)

Mr. McCabe: If it is the point that we didn't cover on both sides of the question, I think it would be much better to put that question to Mr. Garner tonight because I think he can answer it much more efficiently.

Senator McElman: I am not asking for details that took place at the local level. What I am trying to get at—I accept your statement of non-interference but I just find it hard to conceive that an organization of your size and character at some point would not find it useful to, after the event again I say, to suggest that—do you not think the people of Peterborough felt you gave them an unreasonable or unfair, bad show in the course of this?

Mr. McCabe: Well, I do not think that, sir. I don't think they gave them a bad show. I think the Peterborough *Examiner* performed well under the circumstances. All I am saying is that I am not familiar enough to discuss the details. Mr. Garner is: but believe me, during the course of this unfortunate situation, I think the people of Peterborough knew full well what was going on from the news media in Peterborough.

Senator McElman: If I may, on one other point, very quickly...

The Chairman: Yes, of course.

Senator McElman: When a newspaper changes ownership, do you believe it to be

their responsibility that the public be informed immediately? and do you do so?

Mr. McCabe: Oh, we do, we have in most cases. I remember one time in the United States that we purchased a newspaper from a person who was quite elderly, and for some reason or other it was not to be announced until—oh, some set of circumstances—and it was really fun trying to keep the lid on it all those months. I think we did fairly well.

The Chairman: Mr. Fortier?

Mr. Fortier: Thank you, Mr. Chairman. Mr. McCabe, you have explained at great length both in your brief, and orally today, the reasons why owners of small newspapers may decide to sell. I think the Committee would be interested in hearing from you what factors you take into consideration when you decide to buy a newspaper?

Mr. McCabe: I think you approach it much the same as you would any other business transaction.

Mr. Fortier: You don't approach it any differently?

Mr. McCabe: Sure, it is the only business I know so I must necessarily do something a little different than somebody else. We look at the statement which is a tremendous influence on it. We look at the fixed assets, we look at the circulation figures, and we look at the market. We try to examine the future potential of the market.

Mr. Fortier: Would it be fair to say that you only carry out these inquiries in towns which have a maximum population, which you would fix in your own mind?

Mr. McCabe: No.

Mr. Fortier: In your own mind?

Mr. McCabe: You mean we'd only buy a newspaper of thus and so population and circulation?

Mr. Fortier: Yes.

Mr. McCabe: No, we have some newspapers with a pretty small circulation, and pretty small population: but you are right, I would prefer not today because of the nature of our company, and the fact we have grown to acquire very, very small newspapers—now, that doesn't mean to say that we wouldn't convert a weekly newspaper into a relatively small newspaper, because there is a period of

growth that must follow before that becomes significant.

Mr. Fortier: Is there a level of population in a given community where you are not at all interested in acquiring newspapers?

Mr. McCabe: There should be probably, there has not always been, and I think that today—well, I couldn't say "no", because immediately I start to mention a figure, somebody else contradicts it, and I don't think any figure would be—really I think a lot of other factors have to be considered for the...

Mr. Fortier: What, in your experience, what is the point, the level of population in any given community where two newspapers, two competing newspapers would be economically viable? Do you have a "norm" which you could give to the Committee?

Mr. McCabe: I think it is more than population. I think the nature of the city is important. For example, Ottawa is most unusual; if it was any other place, I think there would be one newspaper. I don't think there is any doubt of that. I think the Hamilton—goodness knows they have tried often enough. There is only one there. I think that is a very difficult question. There are newspapers in smaller cities in the United States—what we said in our brief is right, one is a weak sloppy enterprise, and the other may be not as good as it would be if there was one newspaper. Therefore—I can't—I think of that place in Pennsylvania, New York I think it is, they have two newspapers...

The Chairman: When you mentioned lots of attempts to start another newspaper in Hamilton, when was the last one, do you remember? Not within memory?

Mr. McCabe: Not within memory? Oh, yes.

The Chairman: How long then, ten years, twenty years?

Mr. McCabe: Ten years, fifteen years ago a very valiant attempt was made, but...

The Chairman: Mr. Fortier?

Mr. Fortier: I wonder about your remarks about Ottawa, and the viability of two newspapers being extraordinary, not the word you used but—could it be applied to Thunder Bay after January 1, 1970?

Mr. McCabe: Oh, I don't know. I wish I did know, and if you can give me any information on what to do, our people are at sixes

and sevens right now. They have plans to go in any direction, they could go in any direction; they want to serve the public, the community, whatever is right for that community, in the judgment of most of these people that will happen.

Mr. Fortier: Have you considered, or given any thought to merging the two newspapers in Thunder Bay?

Mr. McCabe: We have given thought to almost any eventuality that could happen in a town like that. I don't really know what would happen. Simply because the Government imposes a merger on that community, it does not necessarily follow that the community is going to be one community. I mean I do not know but these are just some of the things I have been told.

Mr. Fortier: I was reading in the report of the Restrictive Trade Practices Commission on the acquisition of the *Time Journal* in Fort William; on page 16: "If Fort William and Port Arthur were one market for newspaper circulations instead of two separate and distinct markets then the *News Chronicle* and *Times* would have been competitors, not monopolists each in its own sphere: or if the two cities were about to shed local loyalty in favour of a common community and market, then competition could be expected to develop between the two newspapers." That is only four years ago.

Mr. McCabe: Who said that?

Mr. Fortier: These were the conclusions of the Restrictive Trade Practices Commission which inquired into the acquisition back in 1965. The weight of the evidence before the Commission indicated that while there was a trend to union, this would not happen in the foreseeable future.

Mr. McCabe: In the normal course of events, it would not, I don't think. I think it was the fact that the Provincial Government injected themselves into it.

Mr. Fortier: But in the light of this report with which I am sure you are very familiar, you have not considered specifically the merging of the two newspapers?

Mr. McCabe: Oh, certainly our people have. I have not. Let's face it, two newspapers could not compete in that market. In my judgment it is a physical impossibility. I have been in business, in this business all my life. I'll bet \$10. I'll make a bet right now that it

could not happen no matter who owned the papers. One would survive, and in the meantime the public's interest would not be served in a small community.

Mr. Fortier: On this subject of inquiries by the Restrictive Trade Practices Commission the Thomson Newspapers have been subjected to two, I believe, in recent years. I wonder if you could comment on the suggestion which has been made before this Committee that freedom of the press includes the freedom of newspapers from being subjected to inquiries into their business practices such as these inquiries. Could we have your comments?

The Chairman: Do you want that answered by Mr. Tory, or...

Mr. McCabe: I would not want—I think the Combines legislation is clear, and under the circumstances I suspect that it is reasonable to go into—they didn't conduct an investigation, and I am glad that we did not have to prepare for this Combines investigation at the same time that I had to prepare for this Committee because we have spent a lot of time and money preparing for this hearing. We did want to tell our story, and as honestly as we could. I think it is a mighty wholesome story. I am proud of the Thomson organization.

Mr. Fortier: But there is no suggestion on your part that freedom of the press, to which you alluded in your verbal remarks, Mr. McCabe, means that the press is above the law of the land?

Mr. McCabe: Oh, certainly not.

The Chairman: I think Mr. Tory wants to say something.

Mr. Tory: I was just going to say the same thing. I do not think that the press should feel entitled to any special exemptions from that sort of legislation. I think it should be subject to the laws in the same way as any other institution.

Mr. Fortier: I wonder if Mr. McCabe could tell us whether he feels that the *Quebec Chronicle-Telegram* in Quebec City is fulfilling a special role which it not being fulfilled by any one of your other daily, or weekly newspapers in Canada?

Mr. McCabe: Better be.

Mr. Fortier: And if so, what is that role?

Mr. McCabe: Well, it is the English paper in Quebec City, it is struggling very hard to sustain daily publication...

Mr. Fortier: Circulation has decreased?

Mr. McCabe: Well, you know it is amazing, it really hasn't. It has some circulation down in the Gaspé that keeps it buoyed up; but the postal increase did knock it on the head for a while, and it is in an area where you can't put in your own drop-offs, I suppose—but the *Quebec Chronicle* is not a very big newspaper, and I think it is pretty well known that we have tried to sustain an English daily newspaper, and I will do that as long as we can and—but I have responsibilities too.

Mr. Fortier: You do acknowledge that you do have certain social responsibilities which is exemplified by the continuing publication of the *Quebec Chronicle-Telegraph*?

Mr. McCabe: I think that a good many businesses have a social responsibility to perform.

The Chairman: I think the question was, Mr. McCabe, does that paper have a special social responsibility because of its position.

Mr. McCabe: I suppose you could say that but I have never really examined it from that standpoint. I hear there are problems and we try to assist them as best we can.

Mr. Fortier: Is it your view that publishers in other parts of Canada, where French Canadians are in the minority, such as in Ontario, Manitoba or Alberta, should seek to own and publish what I will call for lack of a better definition, ghetto newspapers such as the *Quebec Chronicle-Telegraph*?

Mr. McCabe: I don't like that term. I wouldn't apply that to the French community in Kirkland Lake, Timmins and Sudbury, or a good many other places where there are weekly papers in the French language.

Mr. Fortier: Would you—I'm sorry.

Mr. McCabe: No, no. They are there, and we try to assist them. I think you must remember because it is a smaller population, it is exactly the same situation as the *Chronicle-Telegraph* is in. Advertising and circulation is limited and therefore their economic position is not good.

Mr. Fortier: It is a fact that you are continuing with the publication of the

Chronicle-Telegraph because you are in a financial position as a group to do so?

Mr. McCabe: Yes, but we are pretty practical people too; as long as we think it is performing a function we are going to do it.

Mr. Fortier: And it is, in your view, performing a function?

Mr. McCabe: That is right. I am sorry I said a few things here about the *Chronicle*, we have no thought of discontinuing its publication, I want to make that clear.

The Chairman: I do not think you said that.

Mr. Fortier: No, no, I did not interpret it that way.

Mr. McCabe: I am saying that circulation has sunk a wee bit, and as a result it is not the viable enterprise that I would like it to be.

Mr. Fortier: If I may change the subject somewhat, Miss Hamilton referred earlier to all this helpful documentation which is sent to the newspapers in the Thomson chain in order to assist, and I suppose improve the quality of the newspapers among other things. Now, if you were to find at head office in Toronto at any given time that the quality of a particular paper in your chain was diminishing, that it was lacking in quality, what would you do?

Mr. McCabe: Let me say this. In our organization set-up we have a Canadian management group. Although for many years I performed that function we now have three or four divisions in the newspaper business in various parts of the world, Canada and the United States, and long before I heard about it, or long before the Canadian management group heard about it, one of these consultants would be working with the man.

Mr. Fortier: One of your consultants from Toronto?

Mr. McCabe: This is their function. If it is a circulation problem, an advertising problem, or an editorial problem. I would like to think they could sort of anticipate this thing, and that would never happen.

Mr. Fortier: Do you volunteer these services, or do you wait until you are asked by the individual publishers?

Miss Hamilton: You know that is a difficult question to answer, yes or no. I think the

reason it is difficult is that we really are not that kind of a formal organization. In our company all of us know each other very well, and have worked together for a long time, and we have a very informal and team spirit operation, and nothing becomes formalized to that point. Certainly on occasion a publisher may say, may contact our Canadian General Manager and say, I have a particular problem in a certain area; do you think you could give us some help? But just as often the particular problem may be pin-pointed by someone in Toronto, and the communication may come on the basis—don't you think perhaps there is a particular problem in a certain area, would you like some help? It is a very informal kind of over-all group management that we are all involved in.

Mr. McCabe: You see if somebody is on his way to Woodstock he is going to drop off in Galt, and I think a lot of our valuable consultation is done that way.

Mr. Fortier: This may be a hypothetical case, but let us assume that you are most unhappy with the quality of one of your papers, consultants notwithstanding. What would you do from Toronto? How would you deal with it?

Mr. McCabe: Really this sort of thing doesn't happen, and I suppose if we were faced with it—I think if it was serious we would look at the cause. If it was management we'd be concerned—I guess it has happened, yes—isolated cases, peculiar or normal reason. We would do whatever would be suggested, whatever I think would be the right thing to do under those circumstances.

The Chairman: Go ahead, Mr. Fortier.

Mr. Fortier: I am not entirely happy with the answer.

Mr. Chairman: No, I must say that I agree with Mr. Fortier, I think that that is not sufficiently answered. Do you mean to say the man would be replaced?

Mr. McCabe: Certainly if it was necessary. We have a responsibility to our shareholders and the employees of that newspaper.

Mr. Fortier: Have you ever done that?

Mr. McCabe: Sure.

Mr. Fortier: You have. Has it ever happened that you have taken issue with one of your local editors from the point of view of—let us say contents of an editorial?

Mr. McCabe: Now, there is a difference between editors and management:

(a) The only time I discuss an editorial, and I have done this many times at meetings of managers and publishers, is to be concerned if an editorial vacuum exists in one of our newspapers. Unfortunately that happens from time to time, I think. I don't agree with what the average publisher says—well, I might say very often because some of the views expressed today that—however, I would never, ever be concerned about that because we have so many pretty good people operating our newspapers.

Mr. Fortier: But you referred earlier to "taste" as being certainly one of the norms which you feel should be enforced in your individual newspapers?

Mr. McCabe: Yes.

Mr. Fortier: Well, assuming that there is an editorial published in one of your papers which in so far as you at head office are concerned, is clearly in bad taste. How would you deal with it?

Mr. McCabe: I would hope it would not happen again first of all: if it did, I'd be concerned and I'd be amazed, and I would begin to question my own confidence in my own judgment.

The Chairman: What would you do if it did happen?

Mr. McCabe: I do not know, I have never really had the problem.

The Chairman: But what would you do if it did? We accept the point that you hope it will not happen, but what would you do if it did? Even though you think it will not?

Mr. McCabe: Well, the problem—you see a man can destroy a newspaper, or destroy the capital assets equally as much by playing fast and loose with his news content, I say that to cover the whole area, as throwing a monkey wrench into a press running at high speed. We would be concerned about all these things.

Mr. Fortier: Would you not give specific instructions at that point?

Mr. McCabe: I would not give instructions somebody might discuss it with him.

Mr. Fortier: Somebody from your office?

Mr. McCabe: Well, yes, because our people are in constant touch one way or the other.

Now, I think that the publishers that are here will say that I have never given them any instructions. Now, at our annual meetings there might be some very positive discussions about these things.

Mr. Fortier: To what extent, Mr. McCabe, is it your goal to operate as an absentee owner, or absentee publisher? to what extent in the case of all your newspapers?

Mr. McCabe: Well, I don't know what that suggests.

Mr. Fortier: Are we to understand from the reading of your brief and listening to you today that as you said earlier, you are very careful not to run newspapers? Could we read into this that you just provide the services to which you referred earlier, and to which Miss. Hamilton referred, and insofar as the running of the newspaper is concerned, you do not deal with it at all?

Mr. McCabe: Running the newspaper?

Mr. Fortier: Yes, running the newspapers?

Mr. McCabe: Well, I have a constant responsibility to the shareholders on how the newspapers are run, but that does not mean to say I run them. They get into difficulty, I might be involved in a particular set of circumstances, or some of my people might be involved. As far as absentee owners, our headquarters is in Toronto, and I think that guarantees a certain amount of editorial freedom, the fact that we are not trying to tell them how to report every dog-fight that happens in town.

Senator McElman: On that point may I ask a question?

The Chairman: Yes, Senator McElman?

Senator McElman: You said, Mr. McCabe, if they should get into difficulty, is that financial difficulty?

Mr. McCabe: We like to think we are not getting into financial difficulties because we would know ahead of time.

Senator McElman: No, no. I am just asking in the answer you gave?

Mr. McCabe: I think that is a good point. Are we talking about editorial difficulties because of this bad taste that happened three times?

Senator McElman: I was not clear on your answer.

Mr. McCabe: In that case I think it is the publisher's responsibility to fix it. Somebody might say what happened to you running that stuff—this could happen, and you could understand that there was a set of circumstances and probably fix it. If it is the commercial stand point, believe me, I'd be mighty concerned because I have a direct responsibility to shareholders of a public company. Fortunately that doesn't happen too often.

Senator McElman: Supplementary on the earlier line of questions and answers. You said you would hope that an editorial policy which might be misguided would not be repeated? Is it conceivable that an editor would be permitted to repeat his misguided policy up to the point where he would suddenly get the notice, or the pink slip?

Mr. McCabe: I think it is the publisher's responsibility. I do not know how he would handle this situation. The publisher has to be concerned about these things. I do not deliver any pink slips, and the number I have fired, you could count—it would not be difficult to count. I think this also applies to—we do not do that sort of thing. I do not think you can have someone concerned with getting fired, and run a good newspaper. It must be a happy shop, and I think most of our newspapers are. Now, you see you have got to remember there are some unfortunate things that happen in newspapers; but fortunately they are not repeated. We have all read some horrible proof reading boobos on papers, you know that is not intentional, or that play or story—thus and so, and it should not have been. This is unfortunate—it does happen. I cannot ever recall as you suggested, happening twice, for goodness sakes, I am sure that nobody in our organization would have any malice towards anybody, or trying to destroy anybody by doing it twice; and if it was that I would not be aware of it and the publisher would handle it entirely in the normal course.

Senator McElman: There is a report of a recent—if I can say this in good humour please Mr. Chairman, a recent interview with Lord Thomson and he was questioned closely by people of the media. It has nothing to do with the Canadian Thomson newspapers, and he said "Well, of course, we have a policy of no interference whatsoever," and of course the hypothetical question was put to him, "If you should have a publisher or editor who after you had made a very strong position publicly, took the exact opposite view public-

ly very shortly afterwards, what would happen?" He said "Why, of course, we wouldn't have such a man in our employ".

Mr. McCabe: We would not have him in the first place; I think this is important. I can remember that Roy Thomson, many years ago, ran for parliament. I do not know if you are aware of that.

Miss Hamilton: I do not think that quote is exactly the way he said it.

Senator McElman: This is the way it was given to me, and I am simply relating it as authentic.

Mr. McCabe: Anyway he ran for parliament and one of the newspapers cleaned up on him, and said he had no right to run.

Senator Macdonald: May I have just one question?

The Chairman: Yes, Senator, I must just say that before you do, a lot of the Senators would like to ask questions. I know Mr. Fortier you are not through, we will return to you, but I would like to just get along as quickly as we can. Senator Macdonald?

Senator Macdonald: This is on Page 10 of your brief; you mention Roy Thomson said that most newspaper proprietors have been attracted more by the publicity they derive and the propaganda they possess than the operation of their newspapers as a business. Would you agree with that statement?

Mr. McCabe: Most are—oh, I wouldn't say most; no, no. I think he is thinking of Lord Beaverbrook who did not make any bones about it, he said I am in the business to make propaganda.

Miss Hamilton: This comment was made in the English context as you will note, it was made before the Oxford Union.

Senator Macdonald: That was made after he acquired the London Times?

Mr. McCabe: No, that is 1960, he did not acquire the London Times—I think he had the Sunday Times but there was no connection there.

Senator Macdonald: I believe I read not too long ago that the London Times was losing money at a remarkable rate for the last number of years?

Mr. McCabe: Oh, yes, I think it has. I think he is hoping to turn it—he has made a lot of

progress but it doesn't seem to come out right, as he says, in the counting house. I think, he has some very able people there, and I think it will change. He will turn it, it would be nice if he did. No bearing on our enterprise, thank goodness.

Senator Macdonald: No, no bearing on it at all.

The Chairman: May I ask you how many newspapers you have in Ontario? Daily newspapers?

Miss Hamilton: I think it is 18 but I doubt if we have the count.

The Chairman: You list on Page 1, I guess it is, Thomson newspapers, 28 dailies, you list the aggregate circulation, and then the percentage of the total Canadian daily newspaper circulation. I was wondering what percentage of the total Ontario daily newspaper circulation was comprised of Thomson papers. Do you know?

Mr. McCabe: I could not tell you the Ontario circulation.

The Chairman: You have no intentions, I assume (if I am touching on some closely guarded secrets please say so) you have no intention of invading the metropolitan, the big urban metropolitan markets?

Mr. McCabe: I can only speak for myself, but if we did, I would do my best to talk our Board of Directors out of it promptly, and it has never, ever come up.

The Chairman: You say that the weekly papers you have, eventually you hope might become daily?

Mr. McCabe: Lightning will strike the community, and then we will...

The Chairman: Well, that indeed would have to be the case in some of the communities.

Mr. McCabe: Well, I don't know.

The Chairman: Well, there were one or two...

Mr. McCabe: Well, some of those in northern Ontario, yes. I have no illusions, I mean they were started by The Sudbury Star actually one of them, and I did not know anything about it. He just started, it was a practical thing to do, he had the facilities.

The Chairman: Well, I was thinking about a daily paper in places like Dunnville and Arnprior, I would think that is a while away?

Mr. McCabe: We thought great things were going to happen in Dunnville, and it has not been...

The Chairman: You own a weekly in Port Credit, I understand?

Mr. McCabe: No.

The Chairman: Is that wrong? You have no suburban papers then, so called, anywhere?

Mr. McCabe: What are suburbs today? It is very difficult to say. We have the *Brampton Times*.

The Chairman: Well, I would not call Brampton a suburb.

Mr. McCabe: That is about the closest one to Toronto.

The Chairman: Now, I think perhaps we might go to Senator Bourque.

Senator Bourque: A short time ago, Miss Hamilton, to a question put to you about people, you said the different executive got along like brothers, and so on?

Miss Hamilton: And sisters.

Senator Bourque: And sisters, yes, and so immediately when you told me that I looked at all of you people, and I said these people do not look like they would listen to fairy stories to me, and after all this company is in business to make money, so I said they do not look too weak to me, that is exactly what they looked like. They looked as though they could hold their own. My question is now—as Mr. McCabe has said many times, you have a responsibility to the shareholders, and I notice that you have ten, twelve daily papers, and two with a circulation of less than five thousand, and ten with a circulation of less than ten thousand. It must be very difficult in these times when you pay such high wages for all these people, and I was just wondering—now, supposing one of these little papers is losing \$5,000 a month, if you will be such fairy god-fathers or god-mothers that you tap them on the back and say that is too bad, but try and do better. I wonder how many months he could carry on without one of you gentlemen coming up there and saying, “We are in this business to make money, and if you cannot make this paper pay, we will have to get somebody else.” And I would not blame you

because you are not there to lose money. So, it just sounded to me as though it was being said this organization was composed of such god-given charitable people that they went up and said well, it is O.K. you know, go ahead. Now, I do not think that that is so. No company could stay in business if this was to be carried on, and you would be so kind as to let the fellow who does not know how to run the business keep on running it?

Mr. McCabe: You are entirely right, sir. We would not like that to happen if we did not see any way out. We have lost five thousand dollars a month. When you are developing a property, you expect it. Now, you do not expect it to last too long or you would be kind of concerned. We have been able to turn it in any normal set of circumstances. It is not always the fellow that is running the newspaper that is responsible for that. We have a philosophy that you cannot make one of these things pay unless you turn out a good product, and the newspaper has not developed to the point—I can think of several communities where it has not developed to the point where we have the revenues coming back. I think we have to prove to the public that we are worth buying on the news stand, or from the carrier boy; and if we do that often enough then we can prove to the advertiser we have good advertising.

It is not always the case that large circulation—a small circulation newspaper performing its function properly can be a moderately successful enterprise.

This is what we strive to develop.

Senator Bourque: But Mr. McCabe, a daily newspaper with a circulation of less than five thousand! Now, first of all he would not get much national advertising. Secondly, the retail stores in the city would find a paper that will give them a better play for their money.

Mr. McCabe: You are right. We would not be carrying much national advertising. We are not carrying a great deal anyway in any of our newspapers. I am talking smaller circulation newspapers outside the metropolitan area. We do not have very many papers in Canada. The *Charlottetown Patriot* is published in the plant of the *Charlottetown Guardian*. They do not have to have the equipment. If it was published separately today it would be a thing of the past. The fact they use the same building, in fact we had the building before we had the *Patriot*. We want to have an evening paper in Char-

lottetown as well as a very good morning paper there. Some of these others, like Quebec City that we have discussed—I agree we are not, fortunately, losing five thousand a week there, but Quebec is a little different set of circumstances. The newspaper has been published there for, I think, two hundred years, and we want to keep it going if we can.

On the other hand, if I could see no way out, I do not think—I'll be honest about it, I'd have to do something about it. Fortunately that does not happen very often. It happened in the case of the *Vancouver Herald* which had considerable circulation.

Senator Bourque: Now, Mr. McCabe, I understand in the Province of Quebec it is a different set-up, and it would be difficult to make it go, but am I to understand that you are going to keep on for years because it is 200 years old, that you want to publish it for another 25 years or more?

Mr. McCabe: You have to measure all these things in relation to your responsibility, and we are doing everything we can, but at a certain point, and I do not want to use the *Quebec Chronicle* as an example, but there is no thought in our mind now, nor at any time in the foreseeable future to close the *Quebec Chronicle*. But I could take some other newspaper, if it did not make sense to publish a newspaper why should we run it if the public do not want it?

Senator Bourque: There is one question I should like to ask you sir. You said that you have to do certain things because you have a fear that perhaps somebody would throw a monkey wrench in a press. Do you ever remember anything like that that occurred?

Mr. McCabe: No, no. The only thing that we have is if somebody throws a plate once in a while. I was only saying that a newspaper could be destroyed by somebody playing fast and loose with an editorial policy, and it would be the same thing as throwing a monkey wrench into the press going at high speed. I do not remember anybody ever doing that.

Senator Bourque: If a company puts a hundred million dollars into a newspaper, and simultaneously they throw a monkey wrench into the press, it would be an awful loss, and it would be very risky, and we would have a lot of insurance claims?

Mr. McCabe: No, we have never; I cannot recall anything like that. We would have a lot of insurance claims. No, I cannot recall anything like that.

Senator Bourque: Yes, it is dispelled because you know I figured from what I thought you said—well, now, this is a philanthropic business—if that is the way they do! Thank you very much.

The Chairman: I have Senator Prowse, Senator Petten, Mr. Fortier, and Senator McElman in that order.

Now, I would like to just ask one question before I turn you over to them. I believe there are some number of your newspapers that do not belong to the Canadian Daily Newspaper Publishers Association. How many?

Miss Hamilton: I think somebody quoted eleven.

The Chairman: Eleven. That is a pretty high percentage which do not belong C.D.N.P.A. Is the decision made by those papers? Made by each individual publisher individually?

Mr. McCabe: Yes.

The Chairman: Why do they not belong?

Mr. McCabe: Previous to the decision being made, I tried to talk some of them who wanted to pull out previously, I tried to talk them into it because I do not think they should pull out. The C.D.N.P.A. is a fine organization, and most of our newspapers belong to it; it has developed in recent years to become almost an advertising sales organization. I think it is an important function they perform, but unfortunately, in my judgment, and I think in the judgment of most newspapers of smaller circulation, the smaller sized circulation, their efforts are going to contribute to the success of the larger metropolitan newspapers, and yet our dues seem to go up at a higher percentage rate than theirs, and it just doesn't make sense; and the function they are performing for the smaller circulation papers are limited.

The Chairman: Could you give me an example of one of the small circulation papers that does not belong? For example does Penticton belong?

Miss Hamilton: I think Penticton belongs, I am not sure; Kirkland Lake does not belong.

The Chairman: All right, let us take Kirkland Lake as an example.

Mr. McCabe: With a very small amount of national advertising, because their effort is all going in the national field; I have been opposed to it within the Association, and I do not think...

The Chairman: All right, that is the point I'm trying to make, which you have made. That is Kirkland Lake with a 6460 circulation; it would not cost that paper a great deal of money?

Mr. McCabe: It would cost more than the *Ontario Star*.

The Chairman: Much more? In relation to circulation? I think this is the point that I am trying to make.

Mr. McCabe: Much more in relation to circulation, yes.

The Chairman: And the publisher of the *Northern Daily News* feels that he has an insufficient amount of national, or potential national advertising to justify the membership?

Mr. McCabe: We have a sales organization in Toronto, it is not a big one but I think it is very effective.

The Chairman: Well, I was going to ask you about it, so why not you tell us now?

Mr. McCabe: Well, they perform this function.

The Chairman: Do they sell for all these papers?

Mr. McCabe: Yes.

The Chairman: Do they sell for the week-lis as well?

Miss Hamilton: Yes.

The Chairman: Senator Prowse?

Senator Prowse: Mr. McCabe, I would be interested in knowing just exactly: you are the owner, this is your function, you are the owner of the papers? the organization owns these papers, the corporation?

Mr. McCabe: I would like to be the owner, but I am not.

Senator Prowse: You are the Executive Vice-President, and therefore the person responsible for the ownership of the papers to the annual meeting of the shareholders?

Mr. McCabe: Yes.

Senator Prowse: Then you have a publisher of each paper, that is so? When you say the publisher you are talking about them? Now, how do you keep contact with them, what contacts do you have on a regular basis?

Mr. McCabe: Well, you know basically our contact is one annual meeting a year. This is an authoritative meeting where we sit down around the table, and discuss everything. He brings in a review like any other annual meeting only it is more detailed because it is professional, and I think this is where we contribute something to our papers, because we cannot be all that stupid looking at eighty some newspapers that we have not got some good ideas that we have brought from some other direction. Now, beyond that our newspapers produce a monthly statement.

Senator Prowse: A monthly statement?

Mr. McCabe: They produce a lineage report which contains other information, like circulation; but we call it a lineage report. It comes in on the 7th., 14th., 21st., and the end of the month.

Senator Prowse: The mill line, if you want to take it off you could?

Mr. McCabe: Yes, even if there is a complication because the circulation is always a month late you know. Then we have a lineage cost comparison sheet, and recently we have been getting rating reports because of our technical people that want to just compare some of these things from a standpoint of paying too much money for engravings getting out of hand. It is one of these things that can be tremendous material-wise if you do not watch. Those are the essential reports. We have a few print reports because the waste is horrible. We do have some formulas that if they do not meet the test of this, we write them a letter—did you know you were thus and so, and usually we just have to mention it because it got away on somebody.

Senator Prowse: In other words you get enough information to enable you to keep a day or week to week check on the operations?

Mr. McCabe: You could say monthly.

Senator Prowse: At least monthly. Your weekly review you keep it there and then you do your check at the end of the month?

Mr. McCabe: You see we have some retail advertising consultants and they are mighty

anxious to see that lineage because you know the staff meeting with a great deal of training information to pass on—a fellow spent three days conducting a seminar.

Senator Prowse: He goes out...

Mr. McCabe: No, he doesn't go out but he teaches. I think we have one of the best text books on regional advertising that has ever been produced. We stole it from some of the best sources. I think many of the very large American papers have copies of it—we guard it very carefully because it costs a lot of money to print but it is excellent.

Senator Prowse: This is sent out for the use of the advertising manager?

Mr. McCabe: It is taken out and explained you see, or maybe there would be a seminar with the staff. You might have three or four people on the staff.

Senator Prowse: Where do the seminars take place?

Mr. McCabe: Right in the newspaper office.

Senator Prowse: In other words, one of your consultants, in effect, is travelling all the time? Let us not kid about it, but on a fairly regular basis so that you are watching that, and you are in a position so that you can look at your figures, or call for your figures, and tell at a moment whether a paper is holding its own, or going up, or going down. Am I correct?

Mr. McCabe: Yes, I think people like Miss Hamilton here, who has been with our organization for a long time, and other senior people in the company could. You get to know something about these markets, and you do not have to have many little things fall out of pattern—not only that, maybe you can understand things quicker. I might say to Bill Garner—gee, what do you think of this? And he might say, I never thought of that at all. This is the sort of thing.

Senator Prowse: In other words, you are in a position to watch and know pretty well what is happening out in the field, let us put it that way?

Mr. McCabe: On no organized basis. On this basis we do not read the papers every day, that is the point I am making.

Senator Prowse: You do not read the papers. Do you get copies of papers sent in to you?

Mr. McCabe: No.

Senator Prowse: The business end, and the advertising end, the money end you keep pretty close track of?

Mr. McCabe: Yes.

Senator Prowse: Do you have any way of checking, or do you check at all to see what they are doing editorially?

Mr. McCabe: We have a chap that quite regularly reads newspapers because he has a real concern about make-up presentation.

Senator Prowse: He is a make-up consultant?

Mr. McCabe: Well, this is part of it. If he thought—he will mark a paper and send it back to Mr. Dentreff, and in this paper perhaps the picture was poorly handled in relation to the story. I am not being specific—this is the sort of thing.

Senator Prowse: In other words you do maintain this kind of supervision as well, and this would be your make-up consultant—what do you call this fellow?

Mr. McCabe: Just a consultant in the editorial department. We have called him different things over the years...

Senator Prowse: I am sure a lot of people do. So that you keep in pretty close contact back to Mr. Dentreff, and in this paper perhaps the picture was poorly handled in relation to the story. I am not being specific—this is the sort of thing.

Mr. McCabe: Write them a very polite reply and send the letter to the publisher of the paper.

Senator Prowse: And get a reply?

Mr. McCabe: You can tell if there is any—am sure if the mayor of a community got defeated in an election, if he is coming in, he is quite upset about it, and you try to be courteous, sympathetic, but after all in the editorial I am not going to...

Senator Prowse: Now, I am going to give you a situation which I actually know happened some thirty years ago, and I know it did not happen to you, but I happen to know about it because I was a police court reporter at that time. A little grocery store man found out that a big chain store that had moved

across the road was selling what was supposed to be ten pounds of sugar for less than he could buy it from the wholesale. Now, he went over and found that while it said ten pounds he bought one of them and found it weighed nine pounds, and actually there was a nine pound sack, and a one pound sack side by side, and if you were smart enough you took two of them and if you were not smart enough you took one: so he went out screaming to the Weights and Measures, and they went out and bought themselves a package, and this fellow with the chain store was then hauled into court. This was back in the time when the jam tins changed and everything else, and charges were laid against the chain store. I covered the story, and so did the reporter from the other paper: and that story never got into either of the papers.

Mr. McCabe: Well, I can say this...

Senator Prowse: Now, supposing the grocery store had written you and told you this story, that this is what happened in one of your papers? What would you do then?

Mr. McCabe: I would have raised fits. I can remember almost an identical case. I would mention the bakery but I had better not because he is still in business, but he was hauled into court. Do you remember how they used to weigh the loaves of bread, and it got to be a joke because a baker could not always hit it on the button, but this man was taken to court and I remember the fellow on the desk in the newspaper, he mentioned that he is going to get it again, or something to that effect; sort of suggesting we not run it, and we ran it because never as long as I know has any paper I have been personally connected with, ever not run police court news, as it came in. Now, I was brought up in the league to believe if I had pulled that story, even though I was quite senior in that newspaper I would have been banged on the head, or as they say "sacked". Allan Holmes, I think is one of the greatest Canadian journalists that ever was, he brought a lot of philosophies, and I think his philosophies are the governing philosophies of the Thomson newspapers today, and I just would not have wanted to have any part of that.

Senator Prowse: In other words, the Thomson chain is prepared to stand right behind any one of their publishers so there can be no interference with their editorial freedom?

Mr. McCabe: May lose a little bit of business now and then but it usually works out.

Senator Prowse: You have enough financial background, you think, to live with it?

Mr. McCabe: You cannot stay in the newspaper business if you, let us say, edit the police court news.

Senator Prowse: I see since 1946 you spent \$13,000,000 in capital equipment; what have you taken in depreciation during that period?

Mr. McCabe: Normal depreciation.

Mr. Tory: One of the Senators has taken my statement.

Mr. McCabe: It would be so much on buildings.

Mr. Tory: Again this combines the U.S. and Canada, and if I may answer it this way. In Canada, and in the United States, I believe, take maximum tax depreciation on the books, and for tax purposes.

Senator Prowse: Well, what I have in mind is this, this is a period of—I think it works out to 22 years, 21 years, so that would be back from 1948 I guess, what is it 24 newspapers, or twenty-eight newspapers you put out?

Mr. Tory: Well, of course, they were not all owned during that period.

Senator Prowse: No, you acquired them over a period of time so I do not know what the percentages are, but it seems to me that out of that total operation the thirteen million you put in would hardly be more than you have been able to take in depreciation. In other words your capital costs depreciated plus your new capital injections, there would be a deficiency there?

Mr. McCabe: This is right, but I can think of newspapers we bought that we did not have to spend very much on, and these things come into balance. I can think of newspapers that had an excellent building but the equipment was decrepit.

Senator Prowse: You do what you need to?

Mr. McCabe: We are the most practical people in the world. Common sense—whether we have the money available is the guiding thing. I think like anybody else, the guiding force when we are about to spend some money is capital. I like to keep my finger in capital so that it does not get out of kilter. I do not mention where it is going but next year we plan for a couple new buildings, it

has been discussed already. We bought some land last year and it may be a year or so before we get into that, but we expect to go ahead, and as we put up a building on a certain kind of land we use a little different type of equipment.

Senator Prowse: Do you buy the newsprint for the papers, or does each newspaper have its own individual contract?

Mr. McCabe: For a long time we had a contract with one company, and we paid exactly the same price whether somebody else buys it or not. I am always concerned about a source of supply, and some of that is important, but we buy from practically every newsprint company, I would not say every, but practically every newsprint company here and there.

Senator Prowse: Yes, thank you.

The Chairman: Senator McElman?

Senator McElman: There is no quantity discount of any nature?

Mr. McCabe: I have not been able to find it. I have tried mind you.

The Chairman: May I just interrupt to say that the statement was returned by Senator Everett that was referred to a few moments ago.

Senator Prowse: You supply training material for your staff? You supply them with your own managing editors' conference, this is what this annual meeting really amounts to?

Mr. McCabe: No...

Senator Prowse: Or a little more than that.

Mr. McCabe: It covers everything. Everything to deal with that newspaper, but it is usually held with the publisher.

Senator Prowse: It is not in a group?

Mr. McCabe: Oh, no.

Senator Prowse: Oh, so each fellow comes in once a year for a report.

Mr. McCabe: Yes, it is our main contact, this is where our people are educated about the affairs of that particular property, and they bring in their information. Actually they project themselves for a year just like the government does in their projections.

Senator Prowse: Yes, I see. They come in and report on what they are doing, and then set up their budget for next year?

Mr. McCabe: Yes. It is really what they are doing next year because this permits us to look at capital, looking at something we should be doing in this direction. Here are four people going to do this—and what do we think about it? And we make suggestions.

Senator Prowse: Now, what other service do you provide them? In the way of what news services are going to—say the Penticton paper, he is the one that wrote the nice letter, isn't he? All right now, what service did that paper get after Thomson had bought it that he was unable to provide for them, or was not providing?

Mr. McCabe: Well, it is not fair in that case because remember it was a twice weekly paper, and we went daily; and when we went daily we naturally or shortly after we put in Canadian Press in its entirety which he did not have.

Senator Prowse: Well, let us take if one of these were taken over today as a daily as a going concern?

Mr. McCabe: You see, let me make the point, I do not think that our function is to bring a lot of news services in, except what brought in the small papers I think, at least we pushed to the extent that the Canadian Press wire photo services. Small papers, we have always felt, if they got the text they should have the pictures to go with it on the wire so they are current; but really we are essentially a local newspaper. I think our approach to the news content of that paper would be encouraging: yes, even more than that, to improve, to the maximum extent the coverage of the local scene. We can go in detail on contents, what our newspapers

Senator Prowse: Well, you have Mr. Nicholson here in Ottawa, you provide the with that service from Ottawa. Do you have representatives in the provincial capitals?

Mr. McCabe: No, except Ontario, we have a couple of men in Toronto.

Senator Prowse: I see.

Mr. McCabe: Momentarily, until next month we have only one but we'll have two again. We have two in Ottawa. Mr. Nicholson writes a column, but because we are a little concerned with some columns that you can

buy you know, we would like to try to cover the whole spectrum, as it were. On the other hand we have another man, Mr. Farmer Tissington, and he is a very competent man. He was an editor of a couple of . .

The Chairman: Even Mr. Fisher said that two days ago.

Mr. McCabe: Mr. Fisher? Mr. Tissington's job is to report local news for papers because we found the only shortcoming of the Canadian Press, and believe me, I think it is the best press service in the world, and it is as good as half a dozen that you see in the British Press Service, and certainly it is as good as anything in the United States...

Mr. Chairman: Before I interrupt you, what do you think is wrong with the Canadian Press?

Mr. McCabe: I am a member of the Board; if I thought there was anything wrong, I'd . .

The Chairman: You think it cannot be improved?

Mr. McCabe: Oh, well, you can improve anything.

The Chairman: How would you improve it?

Mr. McCabe: I cannot give a suggestion. The Canadian Press are criticizing themselves every time they sit down, and I look around this room and see a lot of the Canadian Press critics, and they go at it hammer and tongs, and I think this is why it is a good service because over the years the contributions of Norman Smith and some of these other people have made the Canadian Press have the significance it has.

The Chairman: Well, I don't think it downgrades the Canadian Press to say it could be improved. I think a member of the Canadian Press here the other day said it could be improved.

Senator Prowse: We are going to lose our conversation if we get too many people in here.

Mr. McCabe: Yes.

The Chairman: I take your point, Senator Prowse, carry on.

Mr. McCabe: The point I was making, the criticism our editors are making of the Canadian Press is that a story of only interest in Peterborough, or Prince Albert, Saskatchewan, or apples in the Okanagan would never

warrant the Canadian Press wire to transmit that distance, and this is a tremendous story when it is in the Kelowna paper from a local standpoint, and this is something that I think has strengthened our papers.

Senator Prowse: These are the services that you are able to provide which they could not provide for themselves?

Mr. McCabe: Well, Miss Hamilton just pointed out one thing—we have been concerned too. I think maybe what some of these fancy fellows charge us with is that we do not carry enough interpretive material in our newspaper. Well, what we have had for some time, we have a very well-known Canadian journalist, I think he is pretty good, by the name of Philip Deane, who analyzes foreign news. Now, we keep him on foreign news because the Canadian Press report is pretty good from a foreign news stand, but we like to have the background written by a Canadian. Now, that chap has pretty wide experience, he was on the overseas staff of the *Globe* for years. He was a far east correspondent, I think, originally with the *London Observer*. I believe too for a short time, I do not know what happened to him, he was U Thant's Executive Assistant in the United Nations; and we have had him for quite some years, and he is doing an excellent job, I think, of interpreting the Canadian Press, or of interpreting the foreign news. I think this is of tremendous importance. We do try to carry a pretty full budget of foreign news.

We also have, and this we have taken a couple of tries at; one, we have a gentleman here in Ottawa by the name of Frank Flaherty who writes a financial column. Where we are concerned there, there are many of the financial—well, take the white paper, income tax, this consumer price index. This sort of thing is sometimes as it is reported in the day to day news, and is sufficiently complete enough for the average reader—so we could not get a good column, so we got Mr. Flaherty and I think he writes twice a week, and they can use it if they want to—there is no requirement. This is the sort of thing that we are discussing the other day...

Senator Prowse: Is that the sort of thing that is carried in the off-time by the Canadian Press?

Mr. McCabe: Some of it would be, I think Patrick Nicholson is carried on off-time; of course Farmer Tissington would not be because it goes to so many separate places.

Some of the Ontario papers, we simply bug some of the standing time on the wire, or we use up that wire. We have, I do not know what all, on it right now. It is one of these things that might change.

Senator Prowse: I notice your charges, what is it you get? 7.9 per cent of the daily circulation, or something like that, and you pay what is it? 13.1 per cent, or is it 13.4 per cent of the Canadian Press charges. Would that difference be as a result of the difference in the rates or because of the services you get there?

Mr. McCabe: Senator Prowse, it is really difficult. I think we pay Canadian Press too much, but I was Chairman of the Assessment Committee that set—or established these rates so my hands are tied.

Senator Prowse: You can complain but that is all.

Mr. McCabe: There are so many factors, and it varies. It has tried to be a fair proposition. I do not agree with all of it naturally; but the Toronto Star at the other end on the totem pole probably would not agree with me.

Senator Prowse: Do you have a group style book?

Mr. McCabe: No, we have used the Canadian Press; you see we think it is better that all newspapers be standard, and we have encouraged all our papers to get their local style exactly with Canadian Press because you cannot change it very well. You would be editing like mad.

Senator Prowse: I think that is all.

The Chairman: Senator Petten, you have a question, I think?

Senator Petten: Well, Mr. McCabe, Senator Prowse has asked two of the questions I was going to ask you: but I would like to follow what he was saying about the Canadian Press. Do you have a policy that you apply to all your papers on C.P. copy—how it should be used? Do you keep track of how much they use? And are they expected to use a certain amount? As you said this is a very expensive service to you so because of this I wonder if somebody keeps particular track, and how much each uses?

Mr. McCabe: No, they would not because putting the newspaper together, again is the responsibility of this autonomous publisher, and he in turn has his editors that handle it. I

think it would show itself if he was not using enough.

Senator Petten: And now if you found he was not using enough?

Mr. McCabe: I think this—because of the way—and I say this because I think our smaller city editors do an excellent job of editing C.P. copy. They might not carry a many long stories as some newspapers.

Senator Petten: You are satisfied they use it?

Mr. McCabe: I think that you might be better informed if you were reading the *Guelph Reporter* than some other much larger newspapers.

Miss Hamilton: I think we might mention the publisher himself does have a measurement of paper on a spot check basis, for one week at a time—quarterly, is it? I am not sure. They do it themselves, and what they do is measure the total contents of the paper and break it down as between wire news, local news, local features, and syndicated features.

Mr. McCabe: The reason that was done, I think the point you are getting at, sir, is not just to put some canned features into the paper, and let it go at that. We would sooner have many more local stories and good C.I. live stories. We measured and counted for that reason, but again it is up to the publisher to control the quantity, and I think again there is a variation in newspapers as to actual quality of writing.

Senator Petten: Thank you.

The Chairman: For the benefit of the witnesses, and the benefit of the Senators I am going to attempt to adjourn this Session at six o'clock. I think that is being realistic if I sense the amount of questioning that is left. I have Mr. Fortier, Senator McElman, and I have a couple; so we shall try to conclude at six o'clock so we can all have dinner, and come back at eight o'clock. The only reason I am saying this is to indicate what my thinking is in terms of time so that the Senators will appreciate. I will go I think according to that order. I have: Senator McElman, Senator Everett, and then Mr. Fortier. Senator McElman

Senator McElman: I would just like to put a supplementary at this point, and probably come back later.

The Chairman: All right.

Senator McElman: In order to avoid repetition on this last subject we dealt with C.P. Now, you provide a syndicated column, and articles, and cartoons, and comic strips, and so on, is that right?

Mr. McCabe: Well, yes and no. We do not supply comic strips. There are very few advantages to the group operation newspapers in purchasing. I think we have discussed certain features—these many editors would like this feature, and what is the price? Our people would do that, and that is why I say that certain features, essential features are sought on that basis. I think we have the top features—I am talking more or less now of the entertainment features.

Most of our papers cannot keep a good political cartoonist—just does not make sense. One of our papers in Sudbury has one, and a very good one. We have made arrangements with other newspapers in Canada to buy their cartoons so what we try to do is send a newspaper—let us say there are seven days of the week—he might end up with what, 15 or 20 cartoons, and select the most appropriate for his approach because you know the cartoons in the bigger papers are so political.

Senator McElman: Quite outside of C.P. costs you do provide service, of course, of our own aside from C.P. on a head office basis, service which includes syndicated columns, and so forth; and these specialists you speak of, consultants, I believe you call them, who do a great amount of work for the member papers. Now, in this material provided outside of C.P. presumably it costs a fair amount to the overall structure, as do these other services. How is this cost allotted out? on a circulation basis?

Mr. McCabe: I think with very few exceptions, some we just cannot divide up properly. It is charged right to the paper by the syndicate. It is just to save bookkeeping. There is no useful function or any benefit. There is no charge.

Senator McElman: A minimum charge whether they are used or not?

Mr. McCabe: Oh, yes. You buy a feature, and that is it.

Miss Hamilton: That is the syndicate charge. The syndicate make a charge.

Mr. McCabe: In our own features we do not charge our own papers anything. We cannot seem to work it out on a sensible basis. I have

two publishers, and when we used to try to work it out, it would get into some argument, and we decided that a certain type of services which is the bulk of our general news service, we do not charge them.

Mr. Fortier: What are those services?

Mr. McCabe: Various columns. Ottawa, Toronto coverage. Phillip Deane, the economics writer—oh, I am sure there are more. I cannot think of them right now.

The Chairman: Do you object—you mentioned a moment or two ago the cartoons in the big papers being so politically biased. Do you object to politically biased editorial cartoons?

Mr. McCabe: Oh, no, but our editors, if they do not agree—so we give them 15 or 20.

Miss Hamilton: So they can make up their own minds.

The Chairman: Well, I have a question or two more but I think I shall perhaps wait until later—Yes, Senator McElman?

Senator McElman: May I get back to the central point, please. I can appreciate how readily your organization could charge out on an equitable basis the costs for general services of these consultant types you speak of, but what I would like to get at, quite aside from this, you obviously buy syndicated items and so on that you have told us you supply out which they use, or they do not use, at their own discretion. Now, let me put it this way, let us say there is one of your member papers that took only 7 per cent of what you feed out to him, is there some correlating percentage that he would pay whether he used it or not? Is there a minimum?

Mr. McCabe: No.

Miss Hamilton: As each publisher and editor chooses the features that he uses from the total package, then he is charged only for the features that he chooses.

Senator McElman: It is on a usage basis.

Miss Hamilton: Yes. Now, that is not true on the columnist because he is not charged for the columnist. He is provided with a columnist, and either uses them or not as he chooses—but on the syndicated features, he does.

Senator McElman: Conceivably you could be buying a package at head office level that nobody would use?

Mr. McCabe: Believe me, we do not. This is done with a certain amount of thought given to it. Take a certain feature package, put it that way, just for the sake of another term, at least a newspaper needs "X" number of comics, may have six or seven comics. Well, the newspaper will say "I do not like these others and I am going to pay for some more—and so I will take Little Abner." Well, I do not know what they are but they decide they want this to round out their package, round out their page. Well, they go and buy that on their own and all we have done is arrange a price if they want to buy it. It is not much of a saving but it is something we have done for years. It is infinitesimal.

Senator Prowse: You send a catalogue in other words.

Mr. McCabe: Yes.

The Chairman: Senator Everett?

Senator Everett: Mr. McCabe, in the December 31st 1967 statement, you show an increase in publishing rights and good will of fifty-seven million dollars?

Mr. McCabe: Since the figures are so big, and I have one of my fellow-directors here—John, would you care to answer that?

Mr. Tory: Well, that increase would be largely attributable to acquisitions, and largely to the Brush-Moore activity.

Senator Everett: How much would Brush-Moore be of that figure?

Mr. Tory: Well...

Senator Everett: Is the \$57,000,000 the total amount of acquisitions, or do you have to add to that?

Mr. Tory: No, no. You would have to add on the fixed assets.

Senator Everett: So somewhere in the neighbourhood...

Mr. Tory: Well, it varies from acquisition to acquisition. The proportion of the good-will varies depending on how much fixed assets there are and what value they have.

Senator Everett: That \$57,000,000 I suppose is the excess over what value you pay, is it?

Mr. Tory: Not exactly, but it is close enough that I will agree with you.

Senator Everett: Do you want to be more exact?

Mr. Tory: Well, the assets are actually taken, and I believe—at least in the Brush-Moore the assets are taken at their appraised values, fixed assets; and I think there is about \$45,000,000 of that figure is goodwill attributable to Brush-Moore acquisition.

Senator Everett: Over and above the appraised value?

Mr. Tory: Of the fixed assets, yes. The total price was in the range of \$72,000,000.

Senator Everett: \$72,000,000. In 1967 Thomson Newspaper Limited had an operating revenue of \$82,000,000, and a net before taxes of \$20,000,000 but as you stated earlier that included both Canadian holdings and United States holdings?

Mr. Tory: Yes.

Senator Everett: Could you tell us what the division of those two figures is?

Mr. McCabe: That information has not been published generally; I suppose we would be delighted to go into it privately, there are so many complications.

The Chairman: Well, would you send that to us privately at the Senate?

Mr. McCabe: Yes, yes.

Senator Everett: The question of depreciation policy was discussed before. What date of depreciation do you apply to equipment, or do you apply the allowable rate, what is the allowable rate?

Mr. McCabe: Twenty percent for equipment. That is some of the equipment.

Senator Everett: Probably class called newspaper?

Mr. Tory: No, I believe it falls into the general class 8 which is 20 per cent, most of the equipment falls into that category; all of it, I believe.

Senator Everett: Mr. McCabe, why did you not, or have you tried to buy some of these suburban newspapers around Toronto?

Mr. McCabe: We were in with the *Star* for a couple. It is a slightly different proposition. We have what you might call a U.S. suburban newspaper. They seem to be different here though—just have not the particular market available—have not appealed to us. We have Oshawa not far from Toronto. We have had that for many years. Also Brampton.

ton, I suppose 15 miles northwest of Toronto. We have Barrie 70 miles north of Toronto.

Senator Everett: Yes.

The Chairman: What are the two Toronto papers that Senator Everett is asking here?

Mr. McCabe: *Port Credit Weekly*, and...

Miss Hamilton: *Port Credit Weekly* and the Oakville paper.

The Chairman: And the *Star* owns half and you own half?

Mr. McCabe: We had a management contract.

Senator Everett: I was coming to that. I notice in the statement you talk about a management contract, would you tell us roughly without giving details how these work?

Mr. Tory: Well, there is a charge made by the head office, which I believe in the case of the Canadian newspapers, is 3 per cent of the gross newspaper revenues. It may be that in the case of the newspapers that were owned with the *Star* it was 4 per cent, I think it was.

Mr. McCabe: All Canadian newspapers are 4 per cent.

Mr. Tory: Is it all 4 per cent?

Mr. McCabe: Some of these other services we contribute would be paid out of that 4 per cent.

Senator Everett: Are those the only management agreements you have, the ones with the two *Star* papers?

Mr. Tory: One of the newspapers, one of the 28 listed is Kirkland Lake, and it is not actually in Thomson Newspapers Limited, it is owned by Topp Holding Company and it is similar management agreement.

Senator Everett: It is controlled by Thomson?

Mr. Tory: Yes.

Mr. McCabe: And in the Caribbean, we do not own the papers. Papers such as those in Trinidad and Puerto Rico—we keep a watching brief on their performance and in a sense perform the same function we do with any of our others, and I think we charge them—I think it is the same.

Senator Everett: Three per cent of the gross revenue?

Mr. McCabe: We do not give them as much, we do not give them any services, the columns that we have in the Canadian newspapers would not be of value so we cut it slightly.

Senator Everett: Do you have any financial interests in them?

Mr. McCabe: Not our company, they are owned by the other companies associated or owned by the Thomson family and we have the responsibility of keeping in mind this management.

Senator Everett: Do you offer this management service to any paper that is not associated with the Thomson family?

Mr. McCabe: I do not think she is entirely correct, she said nobody wanted it. (Mr. McCabe is referring to a comment interjected by Miss Hamilton.) I think what she really meant is that life is too short, and we have enough to do now, sir.

Senator Everett: Is it your policy when you buy a paper to increase the amounts of advertising lineage in relation to the total lines of the paper?

Mr. McCabe: You mean the percentage of advertising to news?

Senator Everett: Yes, from 30 per cent to 50 per cent?

Mr. McCabe: No, because I do not think in any modern day newspaper the percentage of advertising the news means anything except as a test after the fact. I think almost any newspaper of any significance that I am aware of in North America operates on a news-hole basis. They sell to their subscribers "X" numbers of columns of news for a dime. When we have a budget the city council budget or a federal government budget they pump that up to accommodate the additional need—they need more space that day. If there is a flood in a community, and you have to run a page of pictures you would increase your news hole. But the basic control figure of a modern newspaper would be the news-hole. This is what they sell for subscription purposes, that amount of news, and they have that amount of news if they have say 30 per cent advertising, and they have that amount of news if they had 70 per cent like some of the big papers. I like that big case on our newspapers but unfortunately we do not have it very often.

Senator Everett: I do not know that answers the question. You might be providing this amount of news but the question I am asking is a percentage?

Miss Hamilton: If I followed your question you said did we increase the percentage of advertising? now, do you mean by that that we decrease the amount of news?

Senator Everett: The news may be constant and it may expand?

Miss Hamilton: Well, I think the view on that is you sell all you possibly can, it increases in every newspaper profit in every year as the market expands.

Senator Everett: The percentage you devote to a total issue though, do you make a conscious attempt to increase that. Let us assume that you bought a paper that would give 30 per cent of the columns devoted to advertising, and 70 per cent to editorial, would you consciously go out to increase that percentage to say 40 per cent?

Mr. McCabe: Oh, yes, of course, we would make every effort we could to sell advertising because in addition to this editorial function is a community we think a newspaper has a very important economic function to the retail community, or commercial community.

Senator Everett: I can appreciate that but I am talking about the percentage Mr. McCabe?

Mr. McCabe: We would not reduce the news-hole if the news-hole was say 60 columns for a newspaper I cannot imagine us cutting it to 50 which would influence that fact.

Miss Hamilton: I think perhaps the answer is that most daily newspapers that I am aware of, have more page press capacity than they fill normally. So at any time that you are able to sell more advertising, it is not a problem to producing additional advertising. In other words, you always can produce as much advertising as you sell for any one issue. And so, really on his basis, certainly if you sold more advertising at a time when you were not contemplating increasing your news-hole, then your percentage would go up. Three months later you might decide you wanted to increase your news-hole because of the continuing requirement for more news. In that case, this might have the effect of lowering the advertising, but it is an effect to a cause, rather than a cause.

Senator Everett: Yes, somewhere in your brief you talk about the decrease in the amount of national advertising over the years. Does that indicate that you are dependent for your revenue on an increasing amount of retail advertising, or classified advertising?

Mr. McCabe: I think this was always the case in smaller circulation papers. The important area was the retail because we are local newspapers opposed to regional, or metropolitan or national—whatever you call it. The classified advertising has grown in recent years. I think most of our newspapers carry much more classified advertising than national advertising, as such. I think what has happened is this—some certain types of advertising which at one time were placed as national advertising, today is placed as local through the distributors or merchants in the area. This has changed the amount we bill out as national advertising.

Senator Everett: Do you have a policy or that? National goods advertised by local advertisers does that draw the local rate of national rate?

Mr. McCabe: I would not know. It is something that over the years this newspaper business has kicked around, and some of the newspapers have and some have not. I have just not got into it.

The Chairman: Would that be a decision up to each individual newspaper?

Mr. McCabe: Yes.

Mr. Chairman: So some might, and some might not. Senator Everett?

Senator Everett: I will not ask you any questions along that line. Just two more questions. You made the point about the estate tax—the combination of the new white paper and the estate tax I think Mr. Tory made the point, that this would cause...

Mr. McCabe: I think not only in the new paper business but I think small business a over is going to get hit on the head if that comes about. I think it is frightening.

Senator Everett: Would you say that Thomson Newspapers Limited...

Mr. McCabe: No, corporation could hardly have a view on a thing like this. We just expressed it as one of the reasons why.

Senator Everett: Would it be fair to say that Thomson Newspapers Limited foresaw

an increased expansion through the purchasing of small family newspapers due to the Estate Tax Act and the White Paper, if it is implemented?

The Chairman: I think Mr. Tory wants to say something.

Mr. Tory: Well, it is really my comment so I will get Mr. McCabe off the hook, I would expect the combination of the two taxes would result in more small businesses being sold to large businesses, yes. And I would think it would apply equally to the newspaper business as any other. I realize when I say that that in the announcement the government has said they do not intend to impose a capital gains tax on death but it either will be payable immediately on death if the business has to be sold at that time to pay an estate tax, or it will be deferred until the time of the sale, and the capital gains tax payable on the difference between the sale price and the original cost to the deceased plus the estate tax attributable to capital gain—if you follow me.

Senator Everett: So you see as a result of the exercise of these two pieces of legislation that the chains will accelerate their ownership of the individually owned newspapers?

Mr. Tory: Well, I do not say necessarily that will be the result, but I think the general result...

Senator Everett: Isn't that what you are saying?

Mr. Tory: Well, I suppose you might draw that conclusion: I think it is a fair conclusion to draw, yes.

Mr. McCabe: I think personally that with all the things in the White Paper coupled with the succession duties Act as it presently is, the chain or anybody else in Canada is not going to have any money to buy anything. It couldn't matter—I think this is the inevitable conclusion.

Senator McElman: Is that an editorial?

Mr. McCabe: Somebody else brought it up, and it is too obvious.

Senator Everett: One last question, Mr. McCabe, do you think anything in the interests of Canadians would be served if companies that operated media interests were required to publish annual financial statements?

Mr. McCabe: Providing every other business in the country did.

Senator Everett: Only that business?

Mr. McCabe: You can't differentiate. We are the same as anybody else as people, as a company. I think it is frightening to think you are going to file separately for me. I mean this is a big subject and a very dangerous one. I do not mean that in particular now, but I think when you apply a rule to one business it should be across the board.

Senator Everett: Thank you.

The Chairman: Before we go on to Mr. Fortier's questioning, I realize we discussed this, but what is going to happen in Thunder Bay? the decision has not been made?

Mr. McCabe: I think you could say that.

The Chairman: When do you think the decision will be made?

Mr. McCabe: I think as circumstances dictate it. The first of the year is the time that they are going to merge. Some of our people don't think we should do anything. Other people think we should do it thus and so.

The Chairman: What is your opinion?

Mr. McCabe: I do not know.

The Chairman: Really you do not?

Mr. McCabe: No, I don't.

Mr. Tory: If I might make one comment Senator Davey, Mr. McCabe said that nobody really knows yet whether that will become one market or remain as two markets, and I think that is the significant point, and I think that is why he cannot tell you the answer now.

The Chairman: Well, you have a lot to do with that decision I would think. The decision you make might lead the people...

Mr. McCabe: Well, in an organization like ours, a lot of these decisions are made in the normal course of events. Now, mind you, if I do not agree with it, we might change it, but I don't think I have ever done so. We have responsible people.

The Chairman: Well, reference to Thunder Bay leads me to a reference of a former member of Parliament for that part of the world, our friend Douglas Fisher, who Mr. Tory spoke about earlier Mr. Fisher in his

brief the other day said and I quote "What does the Thomson ownership offer to a city beyond the basic Canadian press service and syndicated features? To be blunt, very little Uniform sloppy lay-out, inept local coverage at the editorial level, and usually safe editorials, and copious amounts of advertising are the trade marks of the Thomson paper" I am sure you have all seen that reference in his brief the other day. I particularly wanted to ask you about his reference to "inept local coverage" I am sure you would not describe your local coverage as "inept". How would you describe it. Are you satisfied with your local coverage?

Mr. McCabe: I think our local coverage is, I will say slightly better than the North American average of papers that size. I could say several things about Mr. Fisher because I am sure that he said he had some pretty unfortunate situations in local coverage in Port Arthur. As you know he went to the lakehead as a high school teacher. He was brought up in Toronto, and spent a few years there and became...

The Chairman: No, I think in fairness he was brought up in Port Arthur.

Mr. McCabe: But anyway he ran in a political election there and he defeated the late C.D. Howe. The Port Arthur Chronicle supported C. D. Howe with a great deal of vigor, and I think this created a situation.

The Chairman: Well, I don't...

Mr. McCabe: I think this is his experience with local coverage, and that is all. I don't know of any experience he has...

The Chairman: Yes, I just did not want to get into a discussion about Mr. Fisher, he made some very strong comments. If you disagree—and I can quite understand your interest in this local coverage question—is there any proportion of staff-written material in your papers, any ground rule, or any area of guidance of staff material?

Miss Hamilton: I think firstly that it does vary at every newspaper. I think every one of our papers is conscious of the need to cover the local news, and of course you can understand it varies very greatly. A market like Galt as a case point, would have a great deal more local news than Moose Jaw, the reason being the Galt newspaper covers the local news of Galt, Preston, and Hespeler.

The Chairman: What about a market like Sudbury?

Miss Hamilton: Sudbury carries—I don't have any figures—but it carries a large local news budget. It carries a large news budget in toto.

The Chairman: Well, we did some content analysis of some Canadian newspapers, several of which were Thomson papers, and one of them was Sudbury. We found it fared very badly in terms of local news coverage.

Miss Hamilton: I think in checking news coverage of a newspaper you have to do it over a relatively extended period.

The Chairman: How extended?

Miss Hamilton: I would say at least month.

The Chairman: We did it over three months.

Miss Hamilton: I cannot give figures of Sudbury simply because I did not happen to bring them, but I can say for instance the just pulling out a few at random, Guelph Mercury is a case in a point, carries in an average issue 23 columns of wire news and 22.9 columns of local news.

The Chairman: Let me say in this connection, the other Thomson newspapers were not as bad as Sudbury.

Mr. McCabe: How did they fare badly?

The Chairman: In staff-written material

Mr. McCabe: I am sure they took this in consideration. They do replate there. The replate there is considerable. Do you know how far they haul a paper-up to Parry Sound?

The Chairman: May I ask you one other question—it ties into your comments on Mr. Fisher, and may I say to my colleagues this is the last question that I am going to ask, and then we shall turn to Mr. Fortier. I was interested in the section of your brief in which you indicated the editorial selection by the Thomson papers as to which party they were supporting in the general election last year. I think you indicated that nine supported Mr. Trudeau—on page 25 at the top of the page—9 of them specifically recommended the election of a liberal candidate, 3 of them recommended the election of a Conservative candidate, and the remainder made no recommendation."

Senator Prowse: Fire them.

The Chairman: Has there been a Federal election—say in the last ten or fifteen years, or twenty years—in which all Thomson newspapers supported one political candidate, or one political party?

Mr. McCabe: It has never, never happened; and I wouldn't have that information if it was not for this hearing.

The Chairman: Well, this hearing has had a beneficial effect.

Let me read you a letter. I tell the press here that there is great public interest in this study. I get quite an interesting number of letters, and I would like to read you a letter I received only yesterday. It does not relate specifically to Thomson papers I might say, but I would like your comment on it. It is from Owen Sound, Ontario. It is not marked personal, and it is from Mr. J. C. Stevenson. He says—"Dear Senator: Sometime before commission hearings conclude I should like publishers to be asked", and he quoted the question he wants me to ask: "Why, if the press is free and editors have been given a free hand, (even in newspaper chains) does not one newspaper in English Canada support editorially the New Democratic Party? If editors are free and represent the Canadian public, and are university graduates, as many are, why do they not represent proportionately the 20-25 per cent of their fellow English Canadians who support that party. I should be delighted to have them answer this question and, if no one else asks, to have you ask."

And there is a P.S. and he says, "Or am I unaware of those that do? The *Toronto Star* sometimes gives support until election time."

I think this is a valid question?

Mr. McCabe: I think it is a good question. I don't know really the facts. There is 25 per cent of the people that vote for a political party. I think the editor follows public opinion. He tries not to get ahead of it—I hope; but he follows it pretty closely. If there is only 25 per cent of the voters, he is going to look at this in the broad scheme. I am just trying this without having thought about the subject.

The Chairman: Well, I can assure you that I am not soliciting support for the N.D.P., but I do make the point—and I am speaking to you now in the capacity as I think of you—as a very senior person in journalism in Canada.

Is it not strange—does not Mr. Stevenson have a point that of over one hundred daily newspapers in Canada none of them support the New Democrats editorially?

Mr. McCabe: Well now, just 25 per cent of the voters—now I have not thought about this at all but I suspect that if I was an editor, and I knew that only 25 per cent...

Mr. Tory: Only 20 to 25 per cent according to his figures.

The Chairman: Let us say it is 20 to 25 per cent.

Mr. McCabe: One publisher just slipped a note up here—I don't know whether this is right or not—the *Peterborough Examiner* has given editorial support to Walter Pitman, a Provincial N.D.P. but I didn't know.

The Chairman: Actually editorialized that he should be elected?

Mr. McCabe: I think many newspapers—I know the *Toronto Star* doesn't do it exactly this way. They might have opinions between elections, I think unfortunately newspapers sometimes back away in smaller cities from supporting a specific candidate at election time, and frankly I was quite surprised that so many of our newspapers had definite political endorsements.

The Chairman: I do not want to prolong this part of the discussion, I would like to talk but in fairness...

Senator McElman: On a point of order as a member of this Committee I will not accept on the face of it, without some research, the fact that he presents as a fact, that none knew. I do not think we have basis for making a judgment of the Committee at this point.

The Chairman: Well, we can perhaps...

Senator McElman: I want to go on the record that even if this statistic is presented as a statement of fact, it is not necessarily so.

The Chairman: Well, I take your point of order, and we shall perhaps study this to find out. I would be inclined however to agree with the correspondent, but I agree as a judgment, and not as a fact, and we will certainly check this out. Mr. Fortier?

Mr. Fortier: I think it follows naturally from what you were just discussing, I am reading from Paragraph 65 on Page 26 of your brief. "It must be recognized that it

would be inopportune for a local newspaper of record in a small community to be unduly opinionated". May I ask why you make that statement?

Mr. McCabe: Because there is one newspaper in the town, and who am I, as the publisher of the *Galt Reporter*, to put on spurs and try to ram down the throats of readers in the community, that we should close Grand Avenue Bridge, or we should close Main Street Bridge.

Mr. Fortier: If you as the publisher of the local...

Mr. McCabe: I don't think that I have any God-given right to become involved with something—I am getting a little...

Miss Hamilton: I think the operative word there is unduly. I think it is important to read that into it.

Mr. McCabe: We tried to indicate in our brief, in the Appendix, that our people do take very unpopular stands, but this "unduly" I get a little concerned about it. One newspaper in the town taking a very aggressive position on something. I think we have to supply the facts to the public, and interpret as much as we can, and let it go at that.

Mr. Fortier: Well, that is as far as the news is concerned; but editorially if one of your publishers believes that something is right, then should he not stress it?

Miss Hamilton: I think you have to read the rest of the paragraph.

Mr. McCabe: "Nevertheless, an examination of the editorial pages of Thomson newspapers shows that these newspapers have not been reluctant to comment editorially on public affairs in a controversial way".

Miss Hamilton: There is a difference between "controversial" and "unduly", "unduly opinionated".

Mr. McCabe: And I think "unduly" there is meant to reflect the responsibility in the press.

Mr. Fortier: "Unduly", in the sense that it is used in The Combines Investigation Act?

Mr. McCabe: I don't follow that. Ask Mr. Tory about that.

Mr. Fortier: O.K. How would you relate that statement to the statement on the following page, in your conclusion that "A newspa-

per by its very nature must be a disturbing force in its community"?

Mr. McCabe: Well, I think this all has to be taken together to be understood, and maybe if we took the time to read our conclusion, the whole thing together would suggest that I think it is purely a matter of degree really. This was an attempt at a choice of words to indicate a degree of responsibility, and editorial opinion as well as news coverage.

Miss Hamilton: Yes, an editorial opinion as well as news coverage, yet controversial and giving an adequate amount of leadership.

Mr. Fortier: For a local newspaper to be opinionated is not bad, per se but for it to be unduly opinionated...

Mr. McCabe: Well, we were trying to make the point that—I suppose we are trying to put our best foot forward to the total industry, meaning non-metropolitan newspapers.

Mr. Fortier: I wanted some clarification. You have answered it.

On the question of local coverage which was referred to by the Chairman with reference back to Mr. Fisher's statement before this Committee, this morning as you may or may not know that a Dr. Abel associated with the Canadian Council on rural development appeared before the Committee. She referred to the coverage of the local scene in Prince Edward Island by your two newspapers; and she made the statement which I think I can summarize as follows: that in coverage—local coverage of the P.E.I. scene and generally that of the Atlantic Provinces—in your newspapers in P.E.I. was inept. Would you care to comment on that?

Mr. McCabe: Well, this is one...

The Chairman: I want to be fair to the witness, I do not think she said "inept", I think she said that the Islanders were poorly informed. I think that is probably an accurate quote.

Mr. McCabe: But I think it is an inaccurate statement. There are two newspapers there and I would say there is a lot more news being published, columns of news being published in the *Guardian* and the *Patriot*, unless things have changed in the last month or so.

Miss Hamilton: Of course it is difficult to tell from that statement whether she was referring to the quantity of local news, or to the method of presentation.

Mr. McCabe: Or to some particular type of news in which she was personally interested; and that is a horse of a different colour, I think if she talked to the publisher he would be glad to consider the possibility...

The Chairman: Well, now, Mr. McCabe having said that Mr. Fortier was unfair in describing it as inept, I now think you have been unfair the other way. I think you have gone much too far.

Mr. Fortier: Mr. Spears tells me that she spoke of "poor coverage", to use your own words, and she referred specifically—Mr. Spears informs me—to development?

The Chairman: Economic development, rural development.

Miss Hamilton: Well, I think the only thing we could add that might throw a little light, as to whether the local coverage of the Charlottetown Guardian and Patriot was relatively broad and adequate, is to comment on their latest story counts survey. We referred to it in our brief as to some of the other papers; and an average day at the time of the last surveys completed for Charlottetown, the Patriot and Guardian between them carried on each and every day 87.6 locally written stories.

Mr. Fortier: That answers my question but I thought you should have a chance to comment.

Mr. McCabe: I am concerned, people sometimes in a particular instance—for instance I like trout fishing, and the Ottawa papers do not carry near enough information about trout fishing.

Mr. Fortier: As owners of newspapers which have 7.8% of the total Canadian daily newspaper circulation, and maybe more to the point, of newspapers which reach into many diverse communities across the country, do you feel that your newspapers have a particular responsibility to their readers insofar as coverage and interpretation of news from the Province of Quebec is concerned?

Mr. McCabe: I think it would be better if you asked one of our publishers. Remember I am a corporate officer of the newspaper and it would be perfectly obvious, I would encourage our people to turn out a good news report.

Mr. Fortier: I would like to know what the news from head office is?

Mr. McCabe: Well, personally I think they should have a good coverage.

Mr. Fortier: Do you feel they do, and do you look for it in your newspapers?

Mr. McCabe: Yes, I think they do. Now, I am only talking now about the English press, I cannot comment on the reverse, I think the average person in Western Ontario is pretty well informed about affairs generally.

Mr. Fortier: I am speaking specifically of the affairs in Quebec?

Mr. McCabe: Yes, generally of affairs in Quebec.

Mr. Fortier: And is this made one of your unwritten guidelines at head office.

Mr. McCabe: We don't have written or unwritten guidelines.

Mr. Fortier: But you have a lot of written material?

Mr. McCabe: No, but this is all fact, we don't have a Code of Ethics, we don't have standards of this or that. We just began a relationship between people.

Senator Prowse: People helping people.

The Chairman: I said six o'clock, and I do want to let Senator McElman finish his questioning; I also do want to go and have dinner but if I may, Mr. Fortier if you have other questions; you might bear in mind that we have two publishers here this evening.

Mr. Fortier: I have one last question.

The Chairman: All right—please proceed.

Mr. Fortier: Mr. McCabe has referred very often this afternoon to his company's responsibility to its shareholders. Relatively speaking which is more important—your responsibility to the shareholders or responsibility to the reading public?

Mr. McCabe: That is a good question. You know the other day we were talking just about this very same thing, saying we had the reading public, the employees and the shareholders. I don't know which would go first. I don't think it would be the same one in every set of circumstances. I think this is an impossible question to answer.

Mr. Fortier: Then your lawyer must have told you what to answer.

Mr. Tory: I ask Mr. Fortier to which he has the greater responsibility—to his wife or his job?

Mr. Fortier: I will tell you outside the corridor.

The Chairman: Senator McElman?

Senator McElman: First of all a supplementary to Miss Hamilton—when you were speaking about the newshole versus ad space, would there be any acceptable minimum percentage for the news hole as related on a continuing basis to the ad space, beyond which you would not let it drop?

Miss Hamilton: I can't answer that question because as I said before it just is not a concept, or figure, or statistic that I have ever worked with in my total newspaper experience—the matter of percentage. I can't see that the percentage as a reader means anything. I can't see that percentage relates to anything really. Newspaper people, publishers operating newspapers have a responsibility to maintain a news-hole which is hopefully adequate for the particular area that they are covering. Then the problem, of course, is to be able to do it, and stay in business. I really couldn't answer that. I don't think anybody else could really.

Senator McElman: Thank you. I noticed the many uncomplimentary remarks that Mr. Fisher made, but I think what may be regarded as a constructive suggestion in his brief, if I can go through it and I quote "There are a number of community colleges rapidly growing in the smaller communities, especially in Ontario where 19 of the 28 Thomson dailies are located. A number of these colleges have communications departments or journalism schools. This is an ideal opportunity for smaller papers to gain intelligent and skilled reporters, if only they could guarantee a decent salary, future and journalistic satisfaction. Why couldn't Thomson papers work with these schools on some sort of trainee program on a province or nation wide basis? It could mean a stabilization of their acute manpower problems? It could mean a deceleration of the youthful cynicism towards small town papers; it could mean better newspapers." Is this a constructive thing?

Mr. McCabe: Yes, because we have been working on it. The latter part of that to me is a lot of junk and untrue. We do not want to stay here all night, but on this matter I would not mind staying for a long time. But in the

matter of community colleges in Ontario—now, not at the University level, I am talking about Ryerson and Sheridan College, the only two I know—now, I may be wrong, there may be other schools of journalism. The Advisory Committee of the Sheridan School, that is the one on the west side of Toronto—has two of our editors and publishers on it. We have a scholarship which is a pretty significant one. We have a scholarship at the Ryerson School of Technology.

Senator McElman: How many at Sheridan?

Mr. McCabe: Two at Sheridan, we have one at Ryerson which I installed when I was on their Advisory Committee ten, fifteen, or eighteen years ago, right after the school got started. We have been doing this for years. We have been encouraging the formation of them but we can't very well go to the Government and ask them to start a school of journalism because we would not ask Government for anything under any circumstances.

But this sort of thing, sir, is absolutely wrong, and the latter part—I had some figures checked after this Guild statement about how long people stayed with us. Our average employee stayed nine years with us, and I think it is slightly more for editorial people. I think that is pretty good today.

Senator McElman: Well, I am not trying to embarrass you, Mr. McCabe...

Mr. McCabe: Maybe I am trying to sneak something into the record because some of these are so frightening.

Senator McElman: No, no, this is not our purpose here Mr. McCabe. When comments, unfair or otherwise are made, when the people to whom they are directed, appear before us, we try to give an opportunity for a balanced record. That is all we are doing here of course.

At page 19 where you refer to "One is to make no changes in the staff of a newspaper" I assume that means no firings, that sort of thing?

Mr. McCabe: Yes. I think groups in the past...

Senator McElman: But on the management business side, is it a practice, or something happens fairly often that you do inject staff from the business side?

Mr. McCabe: Not unless we have—so many people who sell newspapers are getting along

in years, or they just do not want to be there anymore. We are delighted if we can get the former owners to stay on with us because of their tremendous knowledge of that community. It is very important to us, and we are delighted.

Miss Hamilton: I think too because you are speaking of the business side, it is also that we don't inject any people into the business management because there has been no need for it.

Mr. McCabe: There are not that many good people to go around.

Senator McElman: In other words there have been enough examples of it that it could be called a practice?

Mr. McCabe: There is no place where we went in and said "You are out, we'll put this man in". We have had any number of cases like the man in Vernon, who just decided he wouldn't want to be around as publisher. I tried to get him to stay. He is an excellent publisher. I have known him for years.

Senator McElman: My last question, Mr. Chairman, at page 24, there was a quotation, I believe, from K. R. Thomson in 1969. It refers to slanting the presentation of the news. It says that and so on, it is dishonest journalism and quotes Mr. Roy Thomson: "it is a crime against the people themselves that any newspaper should actually distort, misrepresent, or colour the news or information in order to support in the public mind its own particular beliefs." These are very strong views, strongly expressed, and presumably part of the policy and philosophies of your chain. Without some measure of head office checking, how could you possibly police such a situation?

Mr. McCabe: I think if you make a good appointment in the first place, it shows quickly.

Senator McElman: This is the key, this appointment level.

Mr. McCabe: I think if you have a good editor in the newspaper, I am not concerned about it. Again this is how our philosophies have been expressed in the past. Ken Thomson and Roy Thomson have always had strong views on this, as I have—strong views on dishonest journalism.

Senator McElman: And if this is looked at very closely at the appointed level you don't feel there is likelihood of this arising?

Mr. McCabe: Well, it is one of the things that we would hear about in a hurry, and the average newspaper man in Canada is mighty honest. They are a mighty honest group. I don't care who they are.

Senator McElman: Thank you.

The Chairman: Well, Mr. McCabe, Miss Hamilton and Mr. Tory, I would like to thank you. I am sure I do not need to tell you that the Thomson Newspapers are a very significant factor in the Canadian Media scene, and for the purposes of our study we are grateful that you have been so co-operative here today.

The Committee adjourned.

Upon resuming at 8:00 p.m.

The Chairman: Honourable Senators, this evening we are going to receive briefs as you know from two of the Thomson daily newspapers.

Sitting on my immediate right is Mr. W. J. Garner who is the publisher and general manager of the Peterborough Examiner and sitting on my immediate left is Mr. J. W. Denhoff who is the publisher of the Prince Albert Daily Herald. On Mr. Garner's right is Mr. J. G. Coleman, a lawyer with the firm of Tory, DesLauriers and Binnington.

We are anxious to adjourn tonight's session at 10.30 in order that some of the people, who are anxious to catch an airplane which I understand goes to Toronto at ten after 11, can be away; and so I have undertaken to the witnesses and the others present that we will terminate by 10.30 or indeed it may be earlier.

The program I thought this evening would be, and I think it is agreeable, that we will in effect receive both briefs at once. There is as I understand it a brief oral statement which Mr. Garner will make first, and following his statement and before questioning there will be a similar statement by Mr. Denhoff. I think both gentlemen are aware that their briefs have been received, circulated and read and that the questioning will be on the contents of your brief, and on the oral comments you make now or anything else which the senators may want to ask. So I will call on you, Mr. Garner.

Mr. William J. Garner (Publisher and general manager of the Peterborough Examiner): Thank you, Mr. Chairman.

Mr. Chairman, and Honourable Senators. The newspaper business is a most rewarding one and I have been associated with it all my

business life, the last 33 years with the Peterborough *Examiner*. In the course of my newspaper life I have been much involved with community affairs and have been actively associated with local groups such as the hospital board, the Chamber of Commerce, and of course service organizations.

Outside of Peterborough I have also been active in our various newspaper associations. The *Examiner*, until recently, was directed by Robertson Davies and under his guidance gained a very fine reputation. Our continuing objective is to maintain the same high quality which he as publisher established and produce a newspaper which provides an effective service to the community.

Much has been said about editorial policy of Thomson Newspapers. I can honestly say that the only direction on editorial views expressed comes from myself and my editor.

The *Examiner* has served the City of Peterborough since 1847 and has published as a daily newspaper since 1889. It now has a circulation of over 26,300 copies daily and serves a wide area which extends from Lake Ontario on the South to Bancroft, 68 miles north of the City, and from Madoc on the east to Lindsay on the west.

Some comments were made today about the *Examiner's* relations with the Guild. I would like to make a few remarks in this connection to put the record straight.

The Toronto Newspaper Guild was certified as the bargaining agent for 22 employees of the newspaper. We met with the Guild representatives on nine different occasions to settle difficulties between us. On six of these occasions Ontario Labour Department representatives were present to assist. Because the Toronto Newspaper Guild were inflexible in their demands, which included attempts to try Metropolitan Newspaper practices on our much smaller community newspaper, negotiations never really ever got off the ground.

In addition you should realize that there were some 120 other employees who wished to continue to work. Fifty of these employees were represented by two other unions. My responsibilities to them and to the people of Peterborough were clear. I had to continue to get out a newspaper and this, Honourable Senators, is what I did.

I feel that the Committee has made it necessary for newspapers generally to take a close look at themselves and do a little self-examination. This is an exercise which

without urging very few of like to do but is in most cases very beneficial.

I am sure all of us in the publishing business will be eagerly awaiting the report of your deliberations.

The Chairman: Thank you.

Mr. Denhoff?

Mr. J. W. Denhoff (Publisher of the Prince Albert Daily Herald): Mr. Chairman, Honourable Senators. My remarks will be very brief. My own background has been in the newspaper business since leaving high school in Calgary some 30 odd years ago, and most of this time has been spent on the editorial side with the exception of seven years when I owned and operated my own weekly; and small weekly newspapers, as some of you will know, involve a lot more than just writing stories.

It involves being everything from office boy to running a press. Since 1967 I have been publisher and general manager of the Prince Albert *Daily Herald*.

In between I have worked as a reporter of the Calgary *Albertan* and for a brief time of the Prince Albert *Daily Herald*. Later I was provincial editor for the Saskatoon *Star Phoenix* and after my return from selling my weekly I became City editor there and the news editor, and was managing editor of the Moose Jaw *Times-Herald*, which is another Thomson newspaper, prior to going to Prince Albert.

I have spent all my adult years in the newspaper field. I don't profess to be an expert on it but of course I do have some opinions on how a newspaper can best be run in the interests of both the public and the proprietor. I feel that a newspaper must be healthy economically if it is going to do its job of serving the public.

I certainly found in my own operation on a very small weekly that we had to remain healthy if we were going to give our service.

I have read with a great deal of interest the newspaper reports of the hearings of the Committee. They have been particularly interesting to me personally naturally, and I am confident, as Senator Davey has remarked that it is not a witch hunt but a conscientious effort to see if the operations of newspapers and the media can in any way be improved from the viewpoint of the public benefit.

In my own view, the search for an improved newspaper—I speak not of the other newspapers but of my own—has been

going on and is going on every day of the year. If any one can advise me as to how within one year or 10 years mine could become the leading newspaper in Saskatchewan—not in Canada, just in Saskatchewan—I assure you they would find me most receptive. I think it is a fact of life with newspaper men that they receive advice on every hand.

Doctors and lawyers go to cocktail parties and they complain that they are always being asked for free medical or legal advice on the guise that somebody is asking about their uncle or aunt's condition. But I think it is a fact of life with us that when we go to a cocktail party or almost any social gathering we are the beneficiaries of free advice...

The Chairman: That is also true of politicians.

Mr. Denhoff: I think that is one thing we have in common, sir.

Senator Prowse: Would you say the advice you receive under those circumstances is worth what you pay for it?

Mr. Denhoff: I understand that that is the response used by the legal profession. Honourable Senators, the esteemed Mr. Claude Ryan suggested that some newspaper men were not taking this hearing seriously. At least, this is what I understood him to say. I could find this difficult to believe. I am sure that any newspaper man that I know would take it very seriously.

However, possibly in view of the fact that we are constantly being given advice on every side it may be that some newspaper men are rather cynical about what may emerge from your hearings but on the other and, of course, I think also there is even a greater fear that in a spirit of attempting to help newspapers carry out their functions, some legislative action may emerge.

I must say that personally this would be a terrifying thought to me. Without having discussed this with Mr. McCabe I notice his remarks this afternoon. I certainly feel we would not be the beneficiaries of or the victims of any special legislation. I believe the senior editorial writer now at the *Toronto Star* but then at the *Saskatoon Star-Phoenix*, Mr. Stewart Shaw, some years ago wrote a very interesting outline of responsibility of newspapers and on the subject of freedom of the press and he stated most forcefully there that our only freedom and our only right are those of the ordinary

citizen. I believe that this is a situation that should continue.

Just one further remark. At your Committee meeting yesterday, a brief was presented by the Canadian Metis Society, the National Indian Brotherhood of Canada and I believe on behalf of the Indian-Eskimo Association, and some remarks were made in which I was particularly interested because we have a very large Indian population and a very large Metis population both in Prince Albert and in the area we cover.

The first thought that occurred to me was that Chief Dieter and the Reverend Mr. Cuthand, who were appearing for the organization, said that they were not getting the publicity in the daily newspapers that they felt that the Indian people deserved and the native people deserved.

Certainly in our case—I cannot speak for other newspapers because there are four other newspapers—but in our case I feel that we give them a great deal of publicity even though by and large we do not have a large circulation among the native people. It has been improving in recent years I am delighted to find, but our senior reporter Mrs. Jasper has served and is serving on the Prince Albert Metis Association and does a great deal of publicity for them, is very interested in their activity and reports this in the newspaper and we welcome it as a newspaper.

They have a great number of problems. We are constantly on the lookout for success stories to balance the sad stories that we have to report from the police court column—but was it you, Senator Prowse, or Senator Hays, yesterday who said something about not reporting the native background of people in the police courts and in trouble? Certainly we never do this.

We do run into a problem because we find it necessary to give addresses, the home address of people in police court, and when somebody comes from a reserve it is obvious of course what their racial background is.

Similarly so many of the names are recognized by our readers, but there is just no way we can avoid the implication of these if this is a native person. We would like to find an answer but offhand we just haven't been able to find one.

We do not mention that they are natives and we do not mention that they are Metis except on success stories so really, we discriminate in reserve.

I was going to say that they didn't send us the brief unless it arrived after I left Prince Albert on Tuesday morning.

The Chairman: The brief arrived late.

Mr. Denhoff: So I think this is just one more example of the fact that actually to get news on the native people, what they are doing, we have to go out and really dig for it.

We find that possibly because of their situation they are not the most communicative people in the world. Until very recent years there have been very few articulate native people, very few.

With those remarks, Mr. Chairman, I would just conclude by saying that I speak for Prince Albert. I can't speak for Mr. Garner and I don't suppose he would want to speak for me. He may have different views on some subjects.

The Chairman: I think the first question this evening is from Senator McElman.

Senator McElman: Thank you, Mr. Chairman. Mr. Garner, you were here today and you have made reference to the unfortunate strike that you went through at the *Examiner*. I am sure you heard the questions I put today; probably I should not have put them to Mr. McCabe but to you. Without my going back through them could you expand perhaps on the report we have had as to what took place?

Let me say first of all, Mr. Chairman, my only knowledge of your newspaper is through our research and what witnesses we have had refer to it; except for a very close friend of mine in my home town who comes from Peterborough and he has spoken in the very highest terms of the calibre of your newspaper.

There was reference by the Guild to the lack of coverage during the strike and they spoke in very unkind terms, of course. They considered this unfair in relation to the Toronto coverage, and even the discontinuance of the strike which was not reported and so on. Would you comment on that aspect of it?

Mr. Garner: Yes, I can, Senator. In most situations of this kind where there are conflicting views we like to publicize both sides of stories. We felt that if we gave day to day coverage of the strike, of our side of it, it could be termed biased.

We also felt that if we did run day to day stories we would have to make available to

the other side space to give their story. This coverage would have to come from the Guild and there aren't any stories which a newspaper runs, which are what you might call handouts, which are not edited.

Now, if we had edited these stories the other side could have claimed that we were still biased. Also we might have found ourselves suing ourselves for libel for what we printed so this is the reason, sir, that we didn't give very much coverage to the strike.

There is a T.V. station and two other radio stations which did I think an adequate job of giving the news and I might say that the Guild established a newspaper of their own in competition to us where they gave their side of the story.

Does that answer your question, sir?

Senator McElman: What was that, in leaflet form?

Mr. Garner: No, sir, it was more than a leaflet form. It ran between an eight and 16 page tabloid paper printed on offset. It was quite well done and I gather had a fair readership.

Senator McElman: And the approach you took on this was totally within your own local decision-making process?

Mr. Garner: Oh, absolutely, sir.

Senator McElman: Were the facts that we related, that on day one there was a report of a strike that you did carry as an ad—not as a story but as an ad for the management side and that in the final demise of the strike there was no report of it? Are those accurate facts as they are given?

Mr. Garner: Yes. As a matter of fact, our views on the matter were set out in an advertisement which we published in our newspaper of December 20, 1968, and I have a copy of it here if you would like to have it tabled, sir.

The Chairman: Thank you.

Senator McElman: Did the Guild seek to run any advertisements of their own in your newspaper?

Mr. Garner: I don't remember that they did, sir.

Senator McElman: They didn't make a statement, but I was just wondering if they ever attempted to do that?

Mr. Garner: Well, while we are interested in business, I think possibly we may not have taken it, but at the same time we were never offered any advertising from the Guild, because as I say they did have their own paper and did a relatively good job of putting their side across.

Senator McElman: Am I correct then in my assumption that the coverage or lack of coverage, whatever viewpoint one might take on it, from your standpoint was on the basis of an effort to be manifestly fair rather than follow a biased approach?

Mr. Garner: We could have been accused of putting a bias had we just run one side.

Senator McElman: Did the Guild throw up a picket line?

Mr. Garner: Oh, very definitely. They had up to 200 people around the plant at times.

Senator McElman: And you have a fairly large section of craft employees represented by craft unions?

Mr. Garner: Yes, we have, sir. I tell you. . .

Senator McElman: Did they cross the lines?

Mr. Garner: Oh, yes. Our two unions cover 0 people.

Senator Prowse: What unions are they?

Mr. Garner: International Typographical Union and the Printing Pressmen's Union. We have as I mentioned before 120 people who indicated that they still wanted to work and they did cross the picket line.

Senator McElman: If my recollection serves me correctly—and if I am wrong please could you correct me—we received testimony the effect or with a strong suggestion that they were moved in from other elements of the Thomson newspaper chain to assist in keeping the paper operating.

The Chairman: That was specifically suggested, yes.

Senator McElman: Well, that was my recollection. Would you comment on that, please, Mr. Garner?

Mr. Garner: Actually I found that in my length of stay in Peterborough I must have made a lot of friends because I was very, very gratified at the number of people who wanted to volunteer to help us.

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The Chairman: Well, that really wasn't the question, Mr. Garner.

Mr. Garner: No, I realize that, sir. You asked me if there were some Thomson people involved. Now, over the years with my association with our various newspaper organizations, I have gotten to know very, very many newspaper people and many of these from editorial areas, and we did receive some assistance voluntarily.

Senator McElman: From other elements of the Thomson chain?

Mr. Garner: Yes. We did have some other people from outside of Thomson also.

The Chairman: Could you explain what you mean by voluntarily?

Mr. Garner: Well, actually on many occasions people would phone me to see if they could be of assistance.

Senator McElman: Did you request such assistance from any quarter?

Mr. Garner: I beg your pardon?

Senator McElman: Did you request such assistance from any quarter?

Mr. Garner: No, I didn't request assistance. I shouldn't say that. I did request some assistance but much of it was voluntarily. Not only that, sir, we had assistance locally. For instance, most sports organizations—instead of our reporter covering their events—passed in their information pre-written, and the same with women's organizations, the same with various other local organizations such as the Community Concert Association. Their people passed in information for us. Actually, they wrote complete stories for us covering the events and plays and we were fed a considerable amount of good copy, and we also had people who had been correspondents for us from outside the city cover various areas for us on a voluntary basis.

Mind you, they were in our employ, only on the basis of what you might call a stringer, where you pay so much for each column inch, but they volunteered to help us and they did.

Senator McElman: Did any of the assistance come from upstairs at the head office?

Mr. Garner: No, sir.

Senator McElman: Were any requests made to the head office for assistance?

Mr. Garner: Well, my dealings were mainly with the people involved at various papers.

The Chairman: But specifically were there any requests put through the head office?

Mr. Garner: There may have been.

The Chairman: Well, you can't remember or...

Mr. Garner: No. The thing is as I said, most of our contact was with people on the various papers. Now, there could have been and probably was some suggestion that they may help on occasion.

Senator McElman: Mr. Chairman, I have other areas but not on this question.

The Chairman: Well, I would just like to pursue this one point. Could I ask you what kind of people came in to help you?

Mr. Garner: They were in the main people who were in authority in these papers.

The Chairman: In which papers? The papers they came from?

Mr. Garner: Yes, that is right, sir.

The Chairman: For example?

Mr. Garner: Well, for example, they were city editors, people who knew how to put a paper together.

The Chairman: Well, a city editor from where?

Mr. Garner: We had a chap from Barrie.

The Chairman: Well, take Barrie, is that a Thomson paper?

Mr. Garner: Yes, it is, sir.

The Chairman: Well, who would do his job when he was with you?

Mr. Garner: Well, it was only on a day to day basis.

The Chairman: Would they drive over in the morning and go home at night, that sort of thing?

Mr. Garner: Yes, sir, they would do this.

The Chairman: Did any of them stay?

Mr. Garner: The longest stay I think was three days.

The Chairman: Three days?

Mr. Garner: Yes.

The Chairman: Who would pay for their accommodation when they would stay?

Mr. Garner: We would pay for it. I had an arrangement with a motel there.

The Chairman: About how many other people came from other Thomson newspapers?

Mr. Garner: Well, to go back a bit...

The Chairman: Well, I don't want to pursue this endlessly, Mr. Garner.

Mr. Garner: I just would like to give you a little background.

The Chairman: Fine.

Mr. Garner: The strike started November 2 and at that time we had six people, desk people and managerial people, and then it dwindled to about three or four but anyway we didn't make any hirings at all until the end of the year. It was on the 28th of December, I believe. So during this period, at no time did we have what you might call a staff I would think at the most we had three people other than our own.

The Chairman: At any one time?

Mr. Garner: Yes.

The Chairman: We are not going to spend the whole evening, I can assure you talking about the strike, but I would like to go back to a question that Senator McElman asked just to be clear on your answer.

The question he asked you was on coverage of the strike in your newspaper. I believe you said the reason you did not publish the Guild's position was that you would have to do it on the basis of their handouts, is that right?

Mr. Garner: Well, this is the only way we could get it. We didn't have any reporters to speak of.

The Chairman: But surely it would have been possible for an experienced newspaperman like yourself to write an objective summation of what it was the Guild was after one which they would find acceptable and one which you would find acceptable?

Mr. Garner: Well, of course, at that time...

The Chairman: If I may theorize for a moment. Supposing you had been with Canadian Press and you were covering the situation and there was a strike in Ottawa in Kitchener or anywhere else, you could have presented both sides I am sure.

Mr. Garner: Well, actually at that time my workday started at 4 a.m. in the morning and went through to midnight, possibly one or two in the morning.

The Chairman: Yes, but wouldn't you agree this was the biggest local news story in Peterborough at that time?

Mr. Garner: It was only 22 employees and we have had strikes up to 2,000 people in Peterborough.

The Chairman: Well, at that time surely this was a pretty significant news story in Peterborough?

Mr. Garner: Well,...

The Chairman: Well, the news story was uppermost in your mind I am sure?

Mr. Garner: Very definitely, but at the same time we made a decision locally that we wouldn't give complete coverage or any coverage of the situation because of the bias which some people may feel existed.

The Chairman: Well, as I say, I don't want to pursue the thing endlessly. We may come back and perhaps the other Senators will have some questions.

Senator McElman: One further point. Let me say, Mr. Garner, that I understand that this was a particularly acrimonious time and feelings ran pretty high. What I want to get it is the statement that was put on the record and I want to see your corresponding statement put on the other side of the record. One of these statements which was made by the Guild when the witnesses were here was that the final offer of settlement by your management was for a senior desk man, I believe it was, or a senior editorial man, \$5 below they were actually then receiving. Is that factual?

Mr. Garner: I am not sure. This has been a year and a half ago. The first of these events occurred almost two years ago and I would be really quite pleased to forget them.

The Chairman: Well, we don't want to make your Christmas unmertry but we would be grateful if you would just for a few moments cast your mind back and answer Senator McElman.

Mr. Garner: Well, to start with there was the statement in our newspaper and if I have I can refresh my memory.

The Chairman: Yes, sure.

Senator McElman: I should couple with that, Mr. Garner, what was coupled with that. They said that they believed this offer, this final offer being below the then going rate being paid, was in truth to keep from settling the dispute, so if you could couple that with your reply as well.

Mr. Garner: Well, actually I am not absolutely sure of our offer but I don't think this was the case. We said in our statement—this is our advertisement which appeared on December the 20th in the paper and it says "Facts about the strike by the Toronto Newspaper Guild against the Peterborough Examiner." It said the Guild was advised at that time that the newspaper proposed that no wages would be reduced as a result of implementing the schedule.

It was further indicated that the schedules represented a guaranteed minimum only.

From The Floor: Miss Hamilton. Mr. Garner, it might be interesting to indicate to the Senators the area in which the Guild was talking about an increase at that same time.

Mr. Coleman: I wonder, Mr. Chairman, if I might just have a moment to refresh Mr. Garner's mind.

The Chairman: Of course.

Perhaps while this conference is going on we might have a question for Mr. Denhoff. We shouldn't be wasting the time because we have a rather important witness here. Would you like to ask Mr. Denhoff a question?

Mr. Yves Fortier: Yes certainly; I don't want him to fall asleep there.

Mr. Denhoff: I was starting to feel neglected.

Mr. Yves Fortier: Mr. Denhoff...

Mr. Coleman: I think we are ready, Mr. Chairman.

The Chairman: We are ready now. I am sorry, Mr. Denhoff.

Mr. Denhoff: My one big chance.

The Chairman: We will be back to you, I can assure you.

Mr. Garner: Actually, our reporter was getting more than the minimum which the Guild were talking about at the time. These had

been established under the former management.

Senator McElman: Then we are talking about a salary range are we?

Mr. Garner: Yes we are, sir. I believe Miss Hamilton explained this this afternoon, that what you might call a person out of high school who hasn't any newspaper experience at all—this range covered a person who started just from scratch, then he advanced through this schedules and these schedules were minimum only.

Senator McElman: Well, let me put it this way then. Presumably there was a minimum range in effect at the time the dispute began?

Mr. Garner: Actually, sir...

Senator McElman: Of X number of dollars. Presumably the union in the course of this bargaining or demands, or requests, or whatever you want to call it, called for a revised minimum to X dollars and you made what they said was a final offer of X dollars. Could we get the X dollars? What was the going minimum at the time the dispute began? What was the demand for the new minimum by the Guild and what was your offer for a new minimum?

Mr. Garner: Well, to start at the beginning we did not have under the former owner a scale of wages as such laid down. The new man going on would be paid—it would depend if he came from a School of Journalism—For instance you pay a higher salary or higher scale than you would for a person coming out of high school. We didn't have a graduated scale that you could take out of a drawer and say "well, this chap should get so much." We used the basis of merit and paid on that basis. And this is the way it was prior to the strike and prior to certification. Now, the Guild's scale went this way. In group 1, and this comes under the heading of wire editors, at that time the company was paying \$135. The Union proposal was \$235 and it represented a percentage increase of 74.1 per cent. Group 2, sports editor, feature editor. The company was paying at that time \$105. The union proposal was \$220 or a percentage increase of a 109.5 per cent. Group 3—deskmen, were \$110 and the union proposal was \$205 and the percentage increase would have been 86.4 per cent. Group 4, reporters, \$105 paid by the company, the union proposal was for \$190, a percentage increase in that case of 81 per cent. In Group 5 the company paid \$75,

the union proposal was \$155 and that amounted to 106.7 per cent increase.

Senator McElman: Well, what does that group constitute, Mr. Garner?

Mr. Garner: In the engraving department. The significance of this whole thing as I believe I mentioned in my preamble was that the Guild was trying to introduce to a small community paper conditions which applied only to Metropolitan papers.

Senator McElman: To complete this picture can you give me the corresponding figures for those separate groups that constitute the final offer of management?

Mr. Garner: Senator McElman, I do not have them with me.

Senator McElman: Could you supply them to the Committee?

Mr. Garner: Yes, I could do that.

Senator Prowse: Mr. Garner, in the brief that was presented to us by the Guild they make this statement: "The strike, as is general knowledge, was lost, not in small part because management was able to import strike breakers and editorial department workers from other Thomson papers." You have explained that. "This action so disgusted the paper's city editor, district editor and chief editorial writer, who were excluded from the Guild by the Ontario Labor Relations Board, that they joined the Guild's picket line." Is that true?

Mr. Garner: In most editorial department the personnel there are very close and these three people in question, along with some of the chaps who were on strike, were very close and they felt as a personal gesture that they had to go out but in one of the letters our former city editor who went out at that time said that when this situation was resolved he would be very glad to come back.

Senator Prowse: Did they come back?

Mr. Garner: Well, as a matter of fact I took a job with the Toronto Star before the situation was resolved.

Senator Prowse: Did any of those people come back?

Mr. Garner: Yes they did, sir.

Mr. Coleman: Mr. Chairman and senator there has been prepared in anticipation this subject coming up a chronological sur

mary of what happened during the strike and during the negotiations and we would be happy to table this, and the last paragraph mentions and deals with what senator Prowse has just mentioned, this business about the people coming back to work after it was all over.

Mr. Garner: I hesitated to read this because it takes quite a time.

The Chairman: There is no need, you can just table it. Would you like to read the last paragraph?

Mr. Garner: Yes, Mr. Chairman. This last paragraph on this situation reads as follows: Finally on April 20 picketing of the employer's premises was discontinued. Shortly prior to that date representations had been made on behalf of striking employees with a view to their possible return to work. As a result of such representations, the newspaper had interviews and subsequently agreed to take back all striking employees who indicated a desire to return to work. This was consistent with what had been the newspaper's position throughout the strike. Such employees had returned by approximately May 1, 1969, one year after certification by the Guild.

Senator Prowse: You mentioned that the people of the Peterborough area were being advised of the progress in the strike.

Mr. Garner: Yes, there were three other electronic media that were doing that.

Senator Prowse: And which were they? Was that CHEX AM?

Mr. Garner: Yes, radio and TV.

Senator Prowse: And CHEX and CHTV?

Mr. Garner: Yes and CKBT.

Senator Prowse: That was the second radio station?

Mr. Garner: Yes.

Senator Prowse: Now, the first three, the fm and the fm station, the CHEX one, those are all Thomson media stations?

Mr. Garner: That's right, sir.

Mr. Fortier: Just a few questions if I may about the strike.

Mr. Coleman: I wonder, Mr. Fortier, I don't want to leave the implication from the Senator's last question in the air like that. The

fact that they were Thomson radio stations doesn't indicate necessarily coverage that was being given. Is it true to state that continuous coverage was being given on both CHEX am and fm and on the TV station as well as on the other radio stations about what was happening?

Mr. Garner: A full coverage was being given by CHEX radio and CHEX TV and the fm station tied in with it as well as the other stations.

Senator Prowse: The Thomson station is part of the Thomson-owned chain?

Mr. Garner: Yes it is, sir.

Mr. Coleman: But they did give coverage.

Mr. Fortier: Mr. Garner, did you receive and publish any letters to the editor on the matter of the strike during the strike?

Mr. Garner: I think there were two or three, sir.

Mr. Fortier: Did you publish them?

Mr. Garner: Yes.

Mr. Fortier: Did you receive any letters that you did not publish on the strike?

Mr. Garner: I can't tell you that, sir.

Mr. Fortier: Why not?

Mr. Garner: Because I was quite busy at the time and the people in our editorial department were looking after that end of the business. I can find out if you would like that information.

Mr. Fortier: Would you?

Mr. Garner: Yes.

Mr. Fortier: It's this attitude which you adopted and which you explained at great length, and very clearly a few minutes ago, and which motivated your decision not to publish accounts of the strike. Is this recognized as good newspaper practice?

Mr. Garner: Possibly not, because we were involved in it this time. Other times and in other strikes we were reporting both sides of the issue.

Mr. Fortier: I would be very interested in hearing Mr. Denhoff's comment as to whether or not the Peterborough Examiner was correct in newspaper practice?

Mr. Denhoff: Mr. Fortier, I don't know what correct newspaper practice would be under the circumstances. And after having listened, and without realizing you were going to question me, I have just been going over in my own mind what one would do under the circumstances. Certainly I can see Mr. Garner's problem in that as he said news releases, as you know, I am sure, are almost always edited down for space reasons and for style and for any number of reasons. Not to change the intent of them but simply for matters, for example, how much space you have on a given day for a given story and how does it rate with other stories on a given day; so there are always reasons and the stories are always edited.

If he published them I am sure by now the Guild would have said he took our releases but they were so badly chopped up you couldn't recognize them and they did it in such a way that they gave us a slanted version. So he would have had a problem.

I frankly don't know—maybe he would have had to have submit them to an uninterested party and say "look, here's our statement, there is their statement, what would you do with it?" I don't know.

Mr. Fortier: Well, supposing you had a strike in Prince Albert at your newspaper, what would you do with that experience now of one Thomson newspaper and the way in which it reacted?

Mr. Denhoff: I think possibly—and this is very off the cuff and hopefully I won't ever have to cross this bridge, but I would give some consideration to that. This is looking back and it is relatively easy for me in light of his experience to decide now that this is what I would have done but at the time, as Mr. Garner said, he was under tremendous pressure and I am certainly not going to fault his decision.

Mr. Yves Fortier: Well, did you realize...

Mr. Denhoff: He is also in a different position in that I believe that the Toronto metropolitan dailies come in there in significant numbers, do they Mr. Garner?

Mr. Garner: Yes.

Mr. Denhoff: Which is quite a different situation than mine.

The Chairman: How significant a number?

Mr. Garner: I think the *Toronto Star* has about 2,500 and the *Telegraph* has maybe

2,000, and I think probably the *Globe and Mail* is a little higher. I don't believe I am too far wrong.

The Chairman: And what is the circulation of your paper?

Mr. Garner: It is 26,300, sir.

Senator McElman: It is fine for all of us to have hindsight but I think in fairness can we put it to Mr. Garner in retrospect: Having gone through the gory experience would you handle it the same way?

Mr. Garner: I think I would, Senator. I think I would because I think you will have many problems if you try to cover both sides of an issue under circumstances like that knowing that the people in the community were getting the information.

Senator McElman: Thank you, sir.

Mr. Fortier: May I suggest to you in a very friendly fashion that you did not have much confidence in (a) your objectivity and (b) the objectivity of your readers. I mean I have always thought that a good newspaperman would pride himself on being impartial and being objectively known as such. Did you?

Mr. Denhoff: Well, wouldn't it be the case of the doctor trying to treat himself? Isn't that the same as a lawyer taking his own advice?

Mr. Fortier: If by treating one's self you mean editorializing on the conflict, I would agree, but when it only comes to reporting the news, the facts of the strike, the fact that this has been demanded by the Union, the fact that this has been offered by management where did you feel that you would slant the news or you would be accused of slanting the news?

Mr. Coleman: Well, surely Mr. Garner has answered that question.

Mr. Fortier: Well, Mr. Chairman, I suggest he has not.

The Chairman: Well, I am interested in Mr. Garner's comment.

Mr. Coleman: I think Mr. Garner said that he was understaffed and overworked. The problems of presenting fairly this very difficult situation in which they were involved in an unbiased manner would have taken a disproportionate amount of their time for three or four people they had there and had an obligation to the 120 people and

members of the other unions and the public to get out a newspaper. It is as simple as that.

Mr. Garner: Well, at that time I must admit that most of our copy was Canadian Press. As a matter of fact we did try to cover quite a number of functions locally such as City Council meetings and the people whom we sent and who did go were quite apprehensive about their safety.

Mr. Fortier: Well, did you publish Canadian Press dispatched for example, on the strike?

Mr. Garner: No. Here again—pardon me, we did run some Canadian Press but not very much.

Mr. Fortier: Our researchers have indicated to us that you did not.

Mr. Garner: Well, as I say it is almost two years...

Mr. Fortier: I am sorry, I have been corrected.

The Chairman: I don't think our researchers said that.

Mr. Fortier: No, Mr. Chairman, I was wrong and I apologize. Your statement is that you did publish some but not much?

Mr. Garner: Well, quite frankly, I can't remember.

The Chairman: You did. You published some but very little.

Mr. Fortier: Where would the fear of partiality find its place in those dispatches—the Canadian Press dispatches?

Mr. Garner: Mr. Fortier, at that time as I mentioned, I did not give direction about what was handled by Canadian Press or what we took of Canadian Press releases. I spent most of my time on the line. I was interested in producing a newspaper and I was leaving up to the two or three people we had in the editorial department the job of putting the paper out. I didn't indicate one way or another—I really wasn't aware of the dispatches that were coming through and I didn't even look at the Canadian Press machine.

Mr. Fortier: To your knowledge, did the head office in Toronto know that there were employees of the other Thomson newspapers who came to lend a helping hand?

Mr. Garner: They must have, I guess.

Mr. Fortier: Did they ever comment to you at any time on that particular practice?

Mr. Garner: Well, quite frankly I wasn't in Toronto other than for labour hearings. I didn't get near our central office.

Mr. Fortier: Well, there are such things as telephones.

Mr. Garner: Yes, I agree. They would know yes, certainly.

Mr. Fortier: Well, did anyone ever comment to you on that practice from Toronto and condemn or condone it?

Mr. Garner: Neither. Any comment might have been to the effect of how are you making out? How are you going to get your paper out? Is it going to be late? As a matter of fact we published every day and didn't miss a deadline.

The Chairman: What happened to the circulation during that period?

Mr. Garner: The circulation was nibbled in—to the extent of about 7 or 8 percent.

The Chairman: Did you pick that up?

Mr. Garner: Yes we have.

The Chairman: Well, turning away from the strike I would like to ask Mr. Denhoff is he would care to express an opinion of the Sifton papers in Regina and Saskatoon.

Mr. Denhoff: You mean as to their quality?

The Chairman: Yes, and how would you compare them with your own paper?

Mr. Denhoff: Well, I think as Mr. McCabe mentioned, the Galt paper carries a lot more stories than larger papers in Ontario—I gather he is talking about Ontario, I don't know.

Certainly both the Saskatoon and the Regina papers are much larger than mine and the Regina paper has come to be almost a provincial paper; but I feel in terms of what we can accomplish with a circulation of 8,500 versus—I think Regina is somewhere around 53,000—I feel that we carry a commendable number of stories both locally and nationally and internationally in relation to their paper.

The Chairman: How about compared to Saskatoon?

Mr. Denhoff: Saskatoon has adopted what seems to be a new policy and it seems to be

going stronger on an entertainment binge at the moment. In hard news stories I think—we don't carry them at the same length because of the space restrictions, but I think we compare very favourably. In terms of numbers of stories and covering the board aspect of the news field.

Senator Petten: I would like to ask Mr. Garner something. On page 5, item 21, you say:

"If a person desires to criticize or make observations on any issue, space is made available in the 'Letters to the Editor' column. In each of the past five years, for instance, the Examiner has published over 500 letters per year."

Now, 500 that doesn't seem to be very many to me. I come from Newfoundland where the Evening Telegram has a much smaller circulation than you and it seems that they have 8, 10 or 12 letters in every night. I was just wondering whether this figure was right for comparison?

Mr. Garner: Well, we run all our letters to the editor on our editorial page so it isn't a case of going after them.

Senator Petten: No, I wasn't suggesting that, but you do run them on your editorial page?

Mr. Garner: Oh, yes we do run them on our editorial page.

Senator Petten: Well, this is less than two a day.

Mr. Garner: Well, this was an average figure and actually if I remember correctly our average last year was higher than in other years. This year, for instance, we have had so many municipal issues in Peterborough that the letters are much longer and as a consequence we can't run as many.

Senator Petten: But you just stick to your editorial page as far as your letters to the editor are concerned?

Mr. Garner: That's right.

Senator Petten: You don't say continue on page so and so?

Mr. Garner: That is right, Senator.

The Chairman: If I may, Mr. Fortier, I would just like to ask Mr. Garner a question. The Examiner became a member of the Thomson organization in 1968?

Mr. Garner: That's right.

The Chairman: Is it a better newspaper today than it was on the 15th of March, 1968?

Mr. Garner: I don't think it is a better newspaper because we already had a good one.

The Chairman: You don't think it has improved.

Mr. Garner: Well, the thing is when you have your editorial staff run down to three people there is a point where you have to start recruiting staff, and recruiting good staff is difficult because good reporters are already working and that means you have to start raiding, and as a consequence we didn't have what you might call highly experienced reporters to start with.

The Chairman: When is this you are talking about?

Mr. Garner: Following the strike we had a staff...

The Chairman: No, you misunderstand me. The strike was when?

Mr. Garner: The strike started on November 2, 1968.

The Chairman: And when did you join the Thomson organization?

Mr. Garner: April 2.

Mr. Coleman: Of the preceding year.

The Chairman: Of the preceding year, yes. I am asking you—this has nothing to do with the strike at all—I am asking you how has your membership in the Thomson organization affected the newspaper? Has it improved the paper over and beyond the period, let say in March of '68, which was when you were still not a member of the Thomson organization?

Mr. Garner: I would say that the paper was equally good.

The Chairman: Well, you are saying hasn't hurt it but I am asking you has improved it?

Mr. Garner: No, it hasn't improved it. hasn't improved it because I think at that point we were a highly regarded paper and we were working on what you might call good high plane of newspaper publishing at that time.

Mr. Coleman: I think, Mr. Chairman, the reason Mr. Garner used the strike was to indicate that in the interval between the time of the acquisition and now there was the strike which caused the editorial staff to be depleted and he has to rebuild his editorial staff.

The Chairman: But you must have achieved that, it is a year or two ago now?

Mr. Garner: Oh no, actually the strike just topped you see in April of this year.

Senator Prowse: Mr. Chairman, I wonder if you could take the period—the strike started when?

Mr. Garner: On November 2.

Senator Prowse: Well, as of the 15th of October how did it compare with March?

The Chairman: All right, that is a good question.

Mr. Garner: I would say it was equally good. I would say that it was equally as good as the paper under our former ownership.

Mr. Fortier: You say that you had, and still have a good newspaper. What has been your record—this question is really directed at both you and Mr. Denhoff. What has been our record of seeking dissent in your respective municipalities? Would you agree, for example, that the business of a newspaper in a one-newspaper town is to seek areas that have not been explored, to dig for dissent?

Mr. Garner: That's right. As I have mentioned in periods in Peterborough we have had a lot of rather controversial municipal issues this year.

Mr. Fortier: Such as?

Mr. Garner: Such as town planning and the range of the board of education to a regional board, and there have been a lot of very controversial issues which have come out of these and we have not only tried to give both sides of those issues but we have commented on numerous occasions editorially about them. This is what we would have done before.

Mr. Fortier: Peterborough is a university town now, isn't it?

Mr. Garner: It is now.

Mr. Fortier: What have you done with the problem of the university students in so far as drugs are concerned for example?

Mr. Garner: As a matter of fact now that you bring that up, we had a chap by the name of Mr. Bill Clement who I would imagine is probably—well, he has been working on the LeDaine Commission and he came to Peterborough and as a result of his coming and talking to the students of Trent University we ran a complete series, well researched, on the whole drug issue. I think we ran seven or eight of them and used many of the references and interviewed this Bill Clements. From what I can gather he is the third best qualified person to talk on drugs and this was very well received in Peterborough.

Mr. Fortier: Are there any other areas of today's society which you have explored and editorialized upon in your newspaper in recent months or recent years?

Mr. Garner: Well, whenever an issue such as you speak of comes up we do go all out on it. I can't remember any specific ones. I did remember this one on the drug situation. As a matter of fact the correspondent in Trent University—to follow this other thing up—keeps us well posted and provides us with many good articles on University happenings.

Mr. Fortier: You do have a full time reporter at the university?

Mr. Garner: Oh no. This is a student who was going to the university who did work for our paper. He has now gone back to university and provides us with very very good material.

Mr. Fortier: Mr. Denhoff, what do you do in Prince Albert—is there any dissent that is worthy to be reported?

Mr. Denhoff: Right now we are worried about whether the farmers are going to sell any wheat so that we can keep publishing. I don't know how many of the Honourable Senators realize this but since July 31 we have only been able to sell about 400 bushels a week which I believe would bring around \$600 and we are very concerned, I must say, in Saskatchewan with other matters. However, I was surprised to hear Mr. Garner mention that they had done a series in drugs. We have done our own without knowing about this and I believe it was the first in Saskatchewan just recently—a young reporter who joined our staff and who is young enough to speak as a member of the peer group to the high school students—we do not have a university there—drugs have become a serious problem in our high schools and he

has just completed a series of five or six articles. He was invited to speak on a panel at a parents' association forum, I believe, to discuss the dangers and incidence of drug users in Prince Albert, and we like to think that we were influential in stirring up public awareness of the problem as it related to a small Northern Saskatchewan City, quite a way from the main stream of normal social problems. Likewise we certainly take an active interest in all municipal affairs and we are having a running fight with the City Council on secrecy in Government which is a continual threat, I believe, not only to newspapers but to the public.

Mr. Fortier: Could you expand a little bit on this fight with the council regarding the secrecy of government?

Mr. Denhoff: Well, I would hate to admit it but so far we haven't been too successful; but the council in Prince Albert has a habit of meeting first in what you call a committee of the whole, and we maintain that subjects which some of them might find embarrassing are dealt with in detail at these meetings and just passed without discussion at a formal session of council to which our reporters are allowed entry. They are not allowed entry to the prior sessions but so far we haven't been able to stir up the public on this issue, I must confess.

Mr. Fortier: You realize that if you had a press council, for example, in Prince Albert, this is the sort of thing which you could submit to the council as is done in England. You know the press council doesn't exist only to allow the reader to complain to the council but it also exists to assist the newspaper in issues such as this one.

Mr. Denhoff: Well, Mr. Fortier, I don't know what influence a press council would have. We are, I think, attempting to tell the public what is going on to the best of our ability. We feel that it is a responsibility of ours to advise the public that this is happening. Now, I feel that the public equally have a responsibility to be interested in their affairs and when the public is ready they will take action very easily at the ballot box and demonstrate their dissatisfaction for the manner in which things are run. It may be that a large segment agrees with the way the council is handling it. They have been handling it this way for 20 odd years.

The Chairman: How then conversely could they demonstrate their unhappiness with the newspaper? There is no ballot box there.

Mr. Denhoff: Well, there is certainly the letter forum and certainly they can advise me.

The Chairman: Well, you make that point about advising you and you say "the door of my office is always open to the public". Supposing I have a grievance against the newspaper and I go to your office; if I don't get any satisfaction from you that is the end of the line.

Mr. Denhoff: Well, not really, you vote with your subscription also.

The Chairman: Well...

Mr. Denhoff: May I say, Senator, that in Prince Albert we are 90 miles away from Saskatoon and Saskatoon carries not as much local news as we do but they attempted to carry a considerable amount and they are delivered to the door in Prince Albert at the same hour as our newspaper is, regrettably so the people, although it may not be a completely satisfactory alternative from a local point of view...

The Chairman: Well, there have been times in my career when it has been my business to read newspapers like yours and if I recall, if I want news about Prince Albert I must buy your paper.

Mr. Denhoff: I think so, yes.

The Chairman: I think that is a fair statement.

Mr. Denhoff: Yes.

The Chairman: Therefore if I want to protest by cancelling my subscription, I am really in effect cutting off my nose to spite my face because I won't know what is going on in my own home town.

Mr. Denhoff: Well, of course, there is always the radio and TV.

The Chairman: Well, my experience—I am sure you will agree that radio and television cannot carry the local news the way you do.

Mr. Denhoff: Yes, I would agree with that.

The Chairman: I just wonder; in your Statement 8 on the press council you state that the idea of a press council is incongruous. I don't think the members of the Committee...

myself have made up our own minds on the question, I should make that clear, but I get the impression when we have discussions like this that some people in the newspapers almost protest too much.

Mr. Denhoff: Well, my understanding of the press council in England is that it is a voluntary body and there is no such thing as enforcement. It is limited to recommendations to newspaper proprietors and editors to ask in a certain way, and also to hear complaints launched against a specific newspaper...

Senator Prowse: Or by them.

Mr. Denhoff: Or by them, yes.

Senator Prowse: It is set up by the press themselves.

Mr. Denhoff: Well, what I am getting at, Senator Prowse, is the strength that any recommendation that they might make is only as good as the willingness of the publisher, or the proprietor, or the editor to accept that recommendation. I am certainly willing, more than willing, to accept any reasonable criticism of our operation and to try and improve our operation.

Senator Prowse: If you will permit me, Mr. Chairman, under the British Press Council system which is set up by the press itself they have one for all of Britain which is not applicable to Canada. Suppose you do like they have done some places in the States—set one up and you ask the Chamber of Commerce and various other organizations to help you do it. You name somebody and you have a couple of your senior editorial men on it and the Chamber of Commerce have a couple of people and the Knights of Columbus and whoever else you want, and this is the group and somebody goes to you and if they don't get satisfaction, they then go to the press council and you agree beforehand that you will print the decision of the press council. So I have a complaint and I go to the press council and we find that they should have given Senator Prowse an apology and they would have printed his statement, and you print this, that you should have done this. You agree to do this beforehand, voluntarily give their findings. Now, if you don't do it then it is not only my cancellation but several other cancellations. In other words, this is something to help you to do your job. It takes the responsibility off you.

Mr. Denhoff: Well, Senator Prowse, I am not concerned because actually we already

have such a situation. Let's agree first of all, and I hope we may, that they have a completely different problem in England with national newspapers. Some of them bidding very high figures, that to me are fantastic, for the memoirs of a prostitute, memoirs which again are known to hurt the feelings of many people and apparently they just do this without too much consideration—the thing has been well aired by now surely. We don't have that problem to the best of my knowledge from the press in Canada. We are not sensational newspapers, certainly outside of the metropolitan area...

The Chairman: Do you think the metropolitan papers are sensational?

Mr. Denhoff: Well, Senator Davey...

The Chairman: Well, you were suggesting that, weren't you?

Mr. Denhoff: Well, not really; if by implication it sounded that way I didn't mean it. I meant that I am more conversant with smaller newspapers than the metropolitan ones. But to get back to this question. If a press council, if it was set up, and they said "Denhoff you are wrong; print an apology to Senator Prowse", we would do it. We already do that. If Senator Prowse comes in and says I was wrong, we say "Come on, here is the paper..."

The Chairman: What if you don't think he was wrong?

Mr. Denhoff: Well, it doesn't matter what I think.

The Chairman: Well, surely it does.

Mr. Denhoff: Well, he is entitled to equal time.

The Chairman: No matter even if you do think he is wrong?

Mr. Denhoff: Well, I might let him write an editorial on it.

Senator Prowse: And I would write a letter that would go in with all the other crackpots.

The Chairman: I am sure you are not suggesting, senator, that you are a crackpot?

At this point we will pause for 90 seconds while the reporter makes some changes.

Short recess.

The Chairman: Honourable senators, I would like to call the meeting back to order.

Mr. Fortier: I wonder if Mr. Garner could tell us on this question of a press council what he means in paragraph 8 of his brief when he suggests that a press council in some respects is a form of censorship.

Mr. Garner: I think a press council would have, or would try to assert, some pressure at times and infringe upon our right to print things. Actually freedom of the press is our right to inform people and I think to some extent a press council may try to restrict that.

Mr. Fortier: Are you implying that a press council would be an attack on freedom of the press?

Mr. Garner: Well, if they are trying to restrict us or did try to restrict us from taking a certain way of presenting something, this is in some respects restricting our freedom to give the news as we see it.

Mr. Fortier: Well, take the British Press Council as you and I know it. Do you think it infringes on the freedom of the British Press?

Mr. Garner: Well, quite frankly I am not that conversant with the British Press Council and their activities but I agree—I was talking about press councils as they may be set up here. I agree with Mr. Denhoff that the Press Council in England was set up primarily I believe to look into and possibly restrict some of this sensationalism from their national papers. I don't think we have the sensationalism as such to the same extent over here.

The Chairman: I don't think you can really say that that is why the British Press Council is set up.

Mr. Garner: Well, this is my understanding of it. I am not that conversant with the British Press Council.

Mr. Denhoff: Senator Davey, if I may interject again, I think there is another distinction that should be made and despite Senator Prowse's remarks about the press council and the letters to the editor. In England I am sure it is physically impossible for the national dailies, or even those in any of the larger cities, to print all of the letters received from their subscribers even sharply condensed, or the people who take a different view, or people who feel that they have been maligned by the newspaper in any way.

The Chairman: You don't print all the letters you receive, surely.

Mr. Denhoff: Absolutely. We welcome them.

The Chairman: Well, that is interesting because I have a file full of letters downstairs in my office from people all over Canada who sent letters to their editors, complaining that they are either not published or edited.

Mr. Denhoff: I would like to qualify that if I may. We certainly reject letters that are not authentic. In other words we check to see that the person actually live where he says he lives, that there is such a person, because we do get letters from people—from phonies—and we receive letters from people some times who sign other peoples' names to them so we do check on that.

The Chairman: That reminds me of the story, and I think it is someone from Prince Albert who comes to Ottawa, and that gentleman has a way I understand of dealing with letters he gets from people, letters which are particularly cantankerous and unpleasant. He sends them back to the person with a note saying, "I thought you should have this letter somebody is using your name."

Mr. Denhoff: Well, the qualification I was just going to make is when they infringe of the law of libel or if they are in particular bad taste, where they attack a person on religious grounds or something like that. On other people—not us—those we reject and send them back with a note saying why, and if they would like to rewrite them in a different way we would publish them. We don't edit them except for spelling and grammar. We do have a limit, 500 words I believe it is.

Mr. Garner: Well, we had one the other day that came in from a chap regarding the Humane Society and had we run it as it was it would have taken about a column and a half. Now, we edited the letter, phoned him and read back to him the cut down version, and he agreed that this was fine. Now, we edit in this way.

Senator McElman: This wasn't condemning your paper in any respect?

Mr. Garner: No. Space is important.

Mr. Fortier: Mr. Garner, I am disturbed by this sentence in your brief here where it says a press council is in some respects a form of censorship which could ultimately infringe on the freedom of the press and the people's right to know. Do you really mean that? A press council which would operate as a

Tribunal of Honour, as they are known in some countries in Europe, and which would have no power of coercion but would only seek to influence public opinion, do you really believe that such a body would infringe upon the freedom of the press?

Mr. Garner: Well, it depends on how the Press Council is set up.

The Chairman: Yes, but you have said here, you said it is. You didn't say it could be. You say it is. I would agree with that answer, Mr. Garner, if you said a Press Council could be a form of censorship, but you have not said that. You said it is.

Mr. Garner: Well, in this case possibly my usage of the English language didn't say my thoughts on it properly...

Mr. Coleman: I am quite sure it didn't, Mr. Garner. The play on words such as the word "unduly" this afternoon is in some respects, and in this respect—if we admit, as I think we must, that freedom of the press is an extension of freedom of speech then anything that interposes itself, anybody that interposes itself between the utterer of the speech and the hearer of the speech is in some respects a curtailment of that.

The Chairman: Far from being a curtailment...

Senator Prowse: Well, suppose we are dealing with something that prevented this speech being made?

Mr. Coleman: Supposing we are dealing with what, Senator?

Senator Prowse: Mr. Denhoff has told us that the City Council in Prince Albert holds all their discussions in a private committee meeting. When they have reached their decisions they just come out and announce it.

The Chairman: I don't think it's quite that, but something like that.

Senator Prowse: Now, he would take that to the Press Council.

Mr. Coleman: That is very interesting, Senator, and I was hoping you would say that.

I have here, and would be glad to table, a list prepared by the American Newspaper Publishers Association on who were the complainants to the British Press Council and they list the number of complaints in a par-

ticular year, and I believe it was a 12-month period ending in December of '67.

The Chairman: How many were there in that year?

Mr. Coleman: Well, there were a number of categories. There were 56 government and local offices of governments that complained; 44 people who signed their complaint simply "a reader." These people were often people who had no direct interest in a particular matter but thought the situation would have been if he or she had been the editor and there must be lots of those.

There were 112 that came from people in the Bertrand Russell Peace Foundation. There were university dons and labour unions and doctors...

The Chairman: Is there anything wrong with labour unions and doctors?

Mr. Coleman: No, but not one of the complainants was a newspaperman.

Senator Prowse: Well, aren't they lucky.

Mr. Coleman: Well, that's right. The point is...

Senator Prowse: Do you mean to say that your people here in Canada have no complaints about their access to the press?

Mr. Coleman: No, senator, but the point is this—the point that is being made about the Press Council that it is going to redress the balance in favour of the newspapers and provide the newspapers with a forum to come to a decision such as that the Prince Albert Council be more public in its hearing.

Historically however, and statistically, the British experience has been that the newspapers have not availed themselves of this opportunity because the newspaper's remedies lie in other directions. Surely, the most effective remedy is not going to a room—and I am not an expert—but it would seem to me that it is not going to a room and complaining to a committee, but you see the editorial pages of a newspaper.

Mr. Denhoff: Senator Prowse, I don't mean to interject here but if this committee did decide to do something in that regard, once again I would hope it would not be something of special benefit directed to newspapers.

In some places in the United States at least, possibly federally as well, they do have right-to-know laws regarding government—specified government documents.

There again I think I am right when it establishes that this is the right of everyone to know, not just the newspapers, and I don't think that we should be treated in any way as a special group. I think this should be a citizen's right to know.

Senator Prowse: Well, just a minute now. You are a very special group because the public depends on you for their information. I have to depend on what I read in the newspapers in order to know what is going on in the world.

There are a very, very few people that have the privilege of deciding what information the public are going to have. Now, surely to goodness that terrible responsibility ought to weigh heavily enough on you that you should always be conscious, as I was impressed by the fact that Mr. Garner was, so conscious of his desire to be fair, that he says "I won't print anything."

Mr. Denhoff: Senator, I agree that it is true to a large degree that the public depends on the press and its local press, but surely this is only because the reputation that newspapers have built up through the years, which people no longer...

For example, in a small city if you go to the annual meeting of the School Board and the annual meeting of the Town Council you will see five people there. It is because they know they have been able to depend on the newspapers.

Senator Prowse: But our researchers led us to believe, and newspaperman have come in and told us, that they are concerned about the fact that people don't consider the press as a credible source of information today.

Now, if I were in the press today I would be very, very concerned about anything that would help to make my image more credible.

Mr. Denhoff: I think the best answer we should have is that I think we should do our very best to do a damn good job.

Senator Prowse: Well, I think you are too easily pleased.

Mr. Fortier: I wonder if Mr. Garner in view of his other statements to the effect that he was not too familiar with the way the British Press Council works—if you don't wish to put on the record sort of a qualification to this sentence which you have in your brief of the Press Council impinging on the freedom of the press.

I think you have said very candidly and very honestly that you were not too familiar with how the British Press Council works—is that correct?

Mr. Garner: That is correct.

Mr. Fortier: Well, how could you say that you do not favour a body similar to the British Council if you don't really know how it operates?

Mr. Garner: Well, in my mind, a press council was something that had some deterrent effect possibly, on what a newspaper could publish. I have heard of the British Press Council but not fully of all of its activities, and this was the basis for my statement here.

Mr. Fortier: In paragraph 19 of your brief Mr. Garner, you speak of newspapers lewding, or following opinions, then you say that your dictum at Peterborough is that you should present all the information that is available for the people to form their own opinions.

My question to you is: should not the newspaper have some opinions of its own?

Mr. Garner: We do.

Mr. Fortier: What do you do with those? Do you editorialize?

Mr. Garner: Editorializing, certainly. That is what an editorial page is for.

Mr. Fortier: Do you seek to lead the people in your opinions? Do you seek to lead the people in your opinion-giving or do you seek to follow them?

Mr. Garner: It isn't a case of leading following. It is an opinion which is voiced after due consideration and reached on the basis of what we think is the case.

Mr. Fortier: If you were up against a deadline on a major story, do you allow your desire to railroad the copy on occasion?

Mr. Garner: Well, I don't quite understand what you have in mind, but on this basis it is quite frequent that possibly a half an hour before deadline a news release will come which we cannot cover fully but we do give an abbreviated account of the story in our paper, and the next day give the full account.

Mr. Fortier: Is that what you understand that railroading of copy means?

Mr. Garner: I have never heard that expression in relation to copy.

Mr. Fortier: What is a 4-em dash?

Mr. Garner: It is a dash about one-quarter of an inch long.

Mr. Fortier: Do you employ kickers and decks in your newspapers?

Mr. Garner: Yes. Not decks-kickers.

Mr. Fortier: What is the purpose of a sub-lead?

Mr. Garner: A sub-lead to my mind is a lead that if you just read that much of it you got the main facts of the story.

Mr. Fortier: What is the difference between a lead paragraph and a sub-lead paragraph? Do you know the difference?

Mr. Garner: I am not as familiar with the complete editorial usage as Jack Denhoff is, for instance.

Mr. Fortier: Well, Mr. Garner, I am directing these questions to you at the moment because in your brief, in paragraph 4, I read that the initiative for all decisions regarding the presenting of the news and editorial opinion is left with the publisher. And you come here today as a publisher saying that you have this authority on the editorial side of the newspaper, and I wonder who having come up through the ranks, not on the editorial side but rather on the publishing and advertising and managerial side, you can say this?

Mr. Garner: When I say I have the full authority—the preventing of the news is the news itself. How it is handled in the paper—whether they put a two-column head on it or an eight-column head on it, this is decided by our make-up.

Mr. Fortier: Who is responsible for the editorializing in your newspaper?

Mr. Garner: Our managing editor. And in conference with him I can decide, or we can decide jointly, that a certain story should have so much display, and then it is his job to present it in the best way under those guidelines.

Now, whether he uses a kicker or whether he uses a drop head, or whatever it is, this is his ground.

Mr. Fortier: Well, I find it difficult to reconcile what you have just said with this sentence here, that the initiative for all decisions regarding the presenting of the news

and editorial opinion is left with the publisher.

Mr. Garner: Well, one is a writing operation and the other is a mechanical operation.

Mr. Fortier: And who is responsible to whom? Is the editor responsible to you?

Mr. Garner: Yes. We do have conferences and possibly a daily...

Mr. Fortier: I don't want to put him on the spot again, but I wonder if Mr. Denhoff could tell us if he agrees with that statement that the initiative for all decisions regarding the presenting of the news and editorial opinion is left with the publisher?

Mr. Denhoff: If I were phrasing it I would have said the responsibility—the ultimate responsibility which of course is distinctive from the act of putting a paper together. This is why we hire professional people.

Mr. Fortier: The Canadian Press levies, as is well known and is already on record, are based on circulation. Is that not correct?

Mr. Denhoff: That is right.

Mr. Fortier: The levies on the individual newspapers are based on the newspaper's circulation?

Mr. Denhoff: That's right.

Mr. Fortier: We have on file figures showing that your paper's circulation in 1967 was 26,495 and in 1968 was 26,279. The Canadian Press levy between those two years went down by some \$4000. Could you explain this?

Mr. Garner: I haven't the answer.

Mr. Fortier: You must have realized when you paid the bill that the Canadian Press levy was smaller in '68 than it was in '67.

Mr. Garner: They do from time to time put in special assessments to cover deficits in various areas.

Mr. Fortier: But you have no ready answer?

Mr. Garner: No. Just recently there was an announcement of a special levy and this automatically would put it up.

From The Floor: Miss Hamilton: May I ask if your information was from material regarding the paper's figures during those two periods?

Mr. Fortier: Yes.

Miss Hamilton: Because the difference would be that prior to the Thomson ownership the Peterborough Examiner included all the Canadian Press levies under Canadian Press, whereas in our Thomson account the portion of the Canadian Press levy which we relate to the providing of punched tape is charged to the composing room. That is a production activity...

Mr. Fortier: Then that is probably the answer. Thank you very much.

The Chairman: Thank you.

Mr. Fortier: In paragraph 7 of the Prince Albert brief you say that "we have a daily minimum news content that has been designed to give complete coverage of local news as well as a full presentation of national and international events." Do you have any philosophy for determining the needs of your readers on any given day as between local, national and international news?

Mr. Denhoff: What do you mean by philosophy, Mr. Fortier?

Mr. Fortier: Well, how do you come to the thought that you will give so many columns to local news and so many columns to international news and so on?

Mr. Denhoff: Possibly I should begin by stating that while we use the word "full" there, it certainly wasn't intending to suggest that we were a New York Times—we are certainly not in that type of operation.

Mr. Fortier: Do you think the New York Times carries too much news?

Mr. Denhoff: No, I do not. I disagree with the sociologist who said that the New York Times was very dull. If they are, I think quite possibly they are deliberately dull because they attempt to give a complete and factual record—I think it is a very good newspaper.

As I say, we are not in that league due to economic circumstances.

To begin with, we start with page 1 of our newspaper. Except for what might be considered an outstanding story in terms of public interest, we do not carry local stories because we devote it to national and international and provincial events. This is the basic idea.

Page 3 is always completely local—page 2 is a mixture depending again on whether

there is more important world news that day or more of importance or more of an interest of local nature. And the same may be true of other pages throughout the paper. But basically the front will always be world or national and other pages inside—page 3 is our basic local news page.

Mr. Fortier: It is well known that only a fraction of the news on any given day is published.

Mr. Denhoff: That is true.

Mr. Fortier: So my question to both of you is this. What policy do you adopt to determine which news will be published and which will not?

Mr. Denhoff: You mean of national or of any type?

Mr. Fortier: Of any type.

Mr. Denhoff: Well, speaking for myself, it is true of most papers that the number of people involved varies with the size of the paper obviously.

We have a wire editor who handles most of the incoming news from Canadian Press. He determines from his own experience—he has been doing it now for I believe 7 years—from his own experience and from the interest expressed by people which stories he will choose, which stories he will give more prominence to—this is done purely on the basis of his interpretation of public interest.

Similarly, the city editor will select from the news turned in by our local staff news that he is going to use on any given day and obviously the display he will give it. He works in consultation with the editor and the sports people of course—that will be sports second and the Women's Editor will handle her part and so forth.

Mr. Fortier: Would you care to apply your mind to this question, Mr. Garner?

Mr. Garner: Well, on occasion there have been stories which developed locally which to my mind are more important than some of the international news coming in, so on the basis we will put it on the front page—we will headline it.

Mr. Fortier: Do you take the pulse of your readers on occasion as to what they think of your newspaper and what they would like to read that they don't read?

Mr. Garner: Well, we get this all the time, Mr. Fortier.

Mr. Fortier: How do you go about it?

Mr. Garner: Well, several years ago we ran four Daniel Starch surveys to try and determine what the interest was in our paper, page by page. I don't know whether you are familiar with this organization but they do surveys on newspapers and magazines and so on and they will come up with a figure for a certain day that this page received the attention of a certain percentage of your newspaper readers, and this advertisement received so much attention, and in this way we did try to find out what our readers thought of our various presentations within the paper.

Mr. Fortier: Have you ever done anything like that?

Mr. Denhoff: We have not done it since I have been there, but I believe if my memory serves me correctly our files—I have only been the publisher there for 2½ years—I think prior to that a reader survey of our pages had been done—a survey of interest—sports interest and so on. But as to acceptance, I don't think anything has been done about that because how would one weigh it?

I am sure if you went to any given hundred subscribers in Prince Albert they would say "yes, I would like this or that or this."

Mr. Fortier: Has yours become a better newspaper since joining the Thomson chain?

Mr. Denhoff: My newspaper was published by the Thomson company I believe in 1950. I am not certain of the date. I worked there in 1946, when it was independently owned, as a reporter. Yes, I think I can honestly say that we are a far better newspaper.

Mr. Yves Fortier: Can you be more specific? Can you tell us what the Thomson chain does for your newspaper that it has not done for say the Saskatoon Star-Phoenix which as you said earlier is in some competition?

Mr. Denhoff: I would like that question again, Mr. Fortier—what has...

Mr. Yves Fortier: What does the Thomson chain, what services does the Thomson chain provide for your newspaper that makes it a better newspaper than one which competes in some degree with it, to wit, the Saskatoon Star-Phoenix?

Mr. Denhoff: I don't think this would be a reasonable comparison; let me try to answer it this way. The Star-Phoenix, because it is in a much larger community—Saskatoon is a city of one hundred and twenty-five thousand or so, and as you know is owned by the Sifton family along with the Regina Leader Post. For many years they have economically been able to afford their own correspondent, Mr. Stirling King, now in Ottawa for example, similarly to cover the Legislature in Regina on a permanent basis. The days when the Prince Albert Herald was independently owned there was just no hope of having a correspondent in Ottawa. We now have two actually columnists—Mr. Tissington—who was formerly the editor of the Prince Albert Herald.

Mr. Yves Fortier: Do you use those syndicated columnists?

Mr. Denhoff: We use them if we want to use them, I will put it that way.

Mr. Yves Fortier: Well, how often would you use them in any given month, would you say?

Mr. Denhoff: I would think that we would use most of the columns, pretty well everything that Mr. Tissington sends us, but only because what he sends us is sent to us because it is of local interest. It might be on the Fresh Water Fish Marketing Board, or CP might not have a great interest in it.

The Chairman: Or it could be on Mr. Diefenbaker?

Mr. Denhoff: Quite often it is on Mr. Diefenbaker.

The Chairman: I am sure it is.

Mr. Denhoff: There is an abiding interest in Mr. Diefenbaker in Prince Albert. They are used purely on the basis that anything else is used, on interest in them. They have to stand up against everything else. There is no compulsion to use them in any way shape or form.

Mr. Yves Fortier: But you do use them?

Mr. Denhoff: We do use most of them but we do discard some.

Mr. Yves Fortier: What about the syndicated columns to which you can have access, do you use them?

Mr. Denhoff: We use some and we discard some others. A large part of it is women's material...

The Chairman: Ann Landers, is that one of them?

Mr. Denhoff: Ann Landers, of course. We daren't throw that away because our phone wouldn't stop ringing.

The Chairman: And horoscope columns?

Mr. Denhoff: Yes, and horoscope columns. It is not quite the same but bridge, crossword puzzles...

The Chairman: All American?

Mr. Denhoff: No, we have a feature that we run—It Happened in Canada, for example, is very popular and very interesting, dealing with events in Canadian history or interesting sidelights on days gone by in Canada's history. I am not sure whether our bridge man is Canadian or American.

The Chairman: Are there any Canadian astrologists?

Mr. Denhoff: I wouldn't know.

The Chairman: The Broadcasting Act compels broadcasters under law to contribute to national unity. Do you think that newspaper publishers contribute to national unity?

Mr. Denhoff: In Canada, offhand, I know of no newspaper proprietors, publishers, who are preaching separatism of any kind.

The Chairman: Well, does your paper contribute to national unity?

Mr. Denhoff: I was going to say that unless the problems of the Northern Saskatchewan farmer are met there may be a groundswell towards Western separatism. I can't envisage it at the moment but the day might come and I might agree this is one answer for Western Canadians. As I say I don't feel that way at the moment and I can't quite envisage myself seeing it.

The Chairman: You think there would be a greater understanding of the problems of the Saskatchewan farmer if La Presse and Le Devoir had correspondents in Saskatchewan or had people who were familiar with the problems of Saskatchewan?

Mr. Denhoff: I am not qualified to speak on the Quebec question in any way shape or form but I know that one of the papers had an article dealing with bootlegging of wheat by the Saskatchewan farmers. It was the

main story across the bottom of the paper—it may have been the Ottawa French paper, I don't know.

The Chairman: Well, the question I am coming to is, do you think it would improve your service to your readers if the Thomson papers retained a correspondent in Quebec? Would this help you interpret French Canada to your readers?

Mr. Denhoff: I honestly don't know. Because of our limitations of space I am not sure that we are at the moment—I don't check the files that often—but I am not sure at the moment that we use everything that is supplied by Canadian Press. We have a very severe space limitation. If I might though I would like to get back to your other question...

The Chairman: Well, just on this one for one moment. Do you think—I don't want to put words in your mouth now, and I am sure you won't let me, but do you not think that your service to your readers would be improved if the Thomson papers had a correspondent in the Province of Quebec?

Mr. Denhoff: Well, what you are suggesting in one sense is that the Canadian Press is not doing an adequate job of reporting events in Quebec.

The Chairman: No, I did not ask you that. asked you if you think your service to your readers would be improved by the Thomson papers retaining a correspondent in Quebec.

Mr. Denhoff: Theoretically it might be.

The Chairman: Well, how about practically in fact?

Mr. Denhoff: Well, I am thinking in terms of space consideration and in terms of all the other areas that we have to deal with and do feel that although we have had individual criticism on the subject of more news from Quebec, I do feel that they are doing quite an adequate job.

The Chairman: I will just ask the same question of Mr. Garner.

Mr. Garner: Well, there are a number papers, members of Canadian Press, Quebec, and as members of the Canadian Press one of the duties of the papers is to furnish information on Quebec. This comes over Canadian Press wires and ends up in our office the same as every other office in Canada. We do use much of this material.

The Chairman: Well then, why have Mr. Nicholson and Mr. Tissington in the Press Gallery in Ottawa—you could use CP and not have your own correspondent in the Press Gallery?

Mr. Garner: Well, there is so much other information here to be gleaned...

The Chairman: Well, I would suggest that there is so much other information to be gleaned in Quebec?

Mr. Garner: Well, one man covering Quebec would be spreading himself pretty thin.

The Chairman: Not quite as thin as no man covering Quebec.

Senator Prowse: I would like both of them to answer and the question is this: do you feel that you are getting adequate news at the present time so that your people are fully informed on what is happening in the Province of Quebec—what is going on in the minds of the people of Quebec?

Mr. Garner: Well, just offhand, I would think that over the past two or three years here is hardly a day goes by that we don't have reference to Quebec.

Senator Prowse: Well, I am not asking you that. I am asking you whether you think your people or the people that read your paper can depend on your paper for information and have they been over the past five years and are they now fully aware of what is going on in minds of the people of Quebec?

Mr. Denhoff: Senator Prowse, surely that question can only be answered if we agree that is actually in the minds of the people of Quebec, and there seems to be a great deal of disagreement, from the Prime Minister with the view on one side that separatism is not the great threat it is made out to be, and Mr. Rene Levesque on the other side.

Senator Prowse: Well, let me put it to you this way: do both of you feel that you have all the information you need so that you are completely satisfied you are aware of what is going on in Quebec and what is motivating that is going on in Quebec?

Mr. Garner: Well, of course, we are a local newspaper...

Senator Prowse: No, no, no. I am asking you as an individual.

Mr. Garner: Well, I think that I am reasonably well informed myself on Quebec and the happenings that are going on there through reading our own columns.

Senator Prowse: And you, Mr. Denhoff?

Mr. Denhoff: Senator Prowse, it is another area where we could certainly devote more space, but I could say that on five other subjects.

Senator Prowse: I am asking what you feel.

Mr. Denhoff: Well, what I am trying to lead up to, Senator Prowse, is that I feel within the bounds of human possibility without visiting Quebec and making a personal survey, I am in a rough way certainly aware of the turmoil and the great movement underway in Quebec but that I can't answer that question without submitting to an examination as to what I actually know. I feel well informed, that is all I can say. Certainly this is from what I read, from what is coming to us.

The Chairman: Could I ask this question which I think is cogent at this time? Do you feel that the Peterborough Examiner understands and is sympathetic towards and interprets for its readers the problems of the wheat farmers in Saskatchewan?

Mr. Garner: I feel that Canadian Press has covered this situation, probably not in depth, but I think so.

The Chairman: Do you Mr. Denhoff? Do you think that the readers of the press generally in Eastern Canada—let's take the specific example of the Examiner—are sufficiently well informed on the problems of the Western farmer?

Mr. Denhoff: Well, I am certainly surprised when I come down here, and I come down once or twice a year, to find people aware and they know that we have had a bumper crop and that our granaries are glutted, but whether this is a general knowledge I am not sure.

The Chairman: I think the Eastern areas are well informed on these problems.

Mr. Denhoff: I know that Canadian Press just recently carried a series on the crop situation, the marketing situation, and the economic situation as related to the Western wheat farmer, but I am not sure that many of the Ontario communities are definitely concerned with the Western farmer, because I

understand Massey-Ferguson just had to lay off a number of employees because they are not selling enough farm implements to the Western Provinces, and I hope they are, but I can't say for sure.

The Chairman: Are the Senators who have final questions—I think we should be prepared to...

Mr. Denhoff: There was one question that you asked me a while ago and I didn't want to get it on the record. You mentioned that the radio law insist radio stations contribute to national unity. I think it should be established for the record that as one of the other speakers did mention, there are only a certain number of radio bands, but there is no limit to the number of newspapers that are published.

The Chairman: Well, just let me make my point. I am not suggesting for a moment that there should be a law—I agree with many of the points that have been made at the hearings about Government pressure and Government influence as far as the press is concerned, and I agree with the preliminary statements which were made this afternoon by Mr. McCabe in this connection, and I am not suggesting for a moment that publishers should be compelled by law, but I am wondering if in fact, however I think, the publishers contribute to national unity.

Mr. Denhoff: Well, I think they do feel that way and I think they do feel that responsibility.

The Chairman: Are there other questions that the Senators have?

Mr. Yves Fortier: I would like to hear from our witnesses—when you have these once a year meetings in Toronto with the owner or representatives of the owners, do you ever voice requests for improvements in the service that you receive from the group?

Mr. Denhoff: In terms of capital expenditures? Every year.

Mr. Yves Fortier: In terms of a better coverage.

Mr. Denhoff: I have been happily surprised—it is my own decision in a sense, but I am running a viable business—I hope I am—and it must be strong as a community service and I hope the community deserves it.

I am delighted to be able to tell you that in the years since the newspaper became a Thomson newspaper the salaries are way beyond what I expected them to be when I returned to this newspaper and just the other day I hired a reporter away from Regina which economically could certainly afford to pay much more than I can. But I have no problems in that regard except in a broad sense that there is a limit to what one can do in a given size of community.

Mr. Yves Fortier: I would like to ask you a question along those lines also. These improvements to which you have referred since the Thomson takeover—to what extent are they attributable to being part of the chain—to what extent do you feel they would have happened anyway if circulation, advertisers, and therefore revenue of the local newspaper increased?

Mr. Denhoff: Mr. Fortier, I wish that when I was struggling with a small weekly—it was a successful one I may add—my volume increased, circulation increased and my profits increased. I am very proud—but I just wish that I had the benefit of one tenth of the advice on technical matters, on business matters. I must say that I would have been much better paper and a much healthier paper at that time and in this sense it is just fantastic to me, it just makes all the difference in the world.

The Chairman: You belong to the CDNPA?

Mr. Denhoff: No, I do not.

The Chairman: Do you, Mr. Garner?

Mr. Garner: Yes, I do.

The Chairman: Well, that could lead to a line of questioning which I won't pursue. Does your managing editor belong to the Managing Editors Conference?

Mr. Garner: Yes, he does, sir.

The Chairman: Does yours?

Mr. Denhoff: No, he doesn't. I did when I was managing editor at Moose Jaw.

The Chairman: Well, if I may say, gentlemen, I think I said this afternoon how grateful we were to the people from Thomson Newspapers Limited for coming. I think this particular hearing this evening has been

illuminating as far as this afternoon's discussion is concerned, and it has been useful in itself. We are grateful to you both, and thank you Mr. Garner and thank you Mr. Denhoff for coming.

The Committee adjourned.



Second Session—Twenty-eighth Parliament
1969

THE SENATE OF CANADA
PROCEEDINGS
OF THE
SPECIAL SENATE COMMITTEE
ON
MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 8

FRIDAY, DECEMBER 19th, 1969.

WITNESSES:

The Toronto Telegram: Mr. John W. H. Bassett, Chairman and Publisher;
Mr. Fraser Kelly, Political Editor; Mr. Arnold H. Agnew, Vice-
President and Editor in Chief; Mr. Douglas G. Bassett, Director.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, *Chairman*

The Honourable L. P. Beaubien, *Deputy Chairman*
and Messrs.

Beaubien
Bourque
Davey
Everett
Hays

Langlois
Macdonald (*Cape Breton*)
McElman
Petten
Prowse

Smith
Sparrow
Welch
White
Willis

(15 Members)
(Quorum 5)

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

"With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

Extract from the Minutes of the Proceedings of the Senate, Thursday,
December 18th, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honour-
able Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee
of the Senate on Mass Media from 20th to 30th January, 1970, and that
the Committee have power to sit during sittings of the Senate for that
period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative, on division.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

FRIDAY, December 19th, 1969.

(8)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, *Chairman*; Bourque, McElman, Petten, Prowse and Smith. (6)

In attendance: Miss Marianne Barrie, Director and Administator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witnesses, representing the Toronto Telegram, were heard:

Mr. John W. H. Bassett, Chairman and Publisher;

Mr. Fraser Kelly, Political Editor;

Mr. Arnold H. Agnew, Vice-president and Editor in Chief;

Mr. Douglas G. Bassett, Director;

The following witnesses, representing the Toronto Telegram, were present but not heard:

Mr. Delbert Perigoe, President

Mr. Gordon V. Ashworth, Vice-president and Treasurer

At 12.45 p.m. the Committee adjourned to Tuesday, January 20th 1970, at 10.00 a.m.

ATTEST.

Gerard Lemire,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA EVIDENCE

Ottawa, Friday, December 19th, 1969.

The Chairman: Honourable Senators, this morning we are receiving a brief from the Chairman and the publisher of *The Toronto Telegram*, Mr. John Bassett who is sitting on my immediate right.

On his immediate right is Mr. Douglas Bassett, Director of the Telegram Publishing Company Ltd., and on Mr. Douglas Bassett's right is Mr. Gordon Ashworth, Vice-President and treasurer of the telegram publishing company Limited. On his immediate right is perhaps a more familiar face, Mr. Fraser Kelly, Political Editor, of *The Telegram*. On my left is Delbert S. Perigoe, President, Telegram Publishing Company Limited., and on his left is Mr. Arnold H. Agnew, Vice-President and Editor-in-chief, Telegram Publishing Company Limited, Toronto, Ontario.

Mr. John Bassett: Thank you, Mr. Chairman.

The Chairman: Now, Mr. Bassett, as requested, your brief was received more than three weeks in advance, it has been circulated to the Members of the Committee. They have studied its contents, and I think for the purposes of our discussion this morning we could take the brief as read.

I propose to begin perhaps by taking fifteen minutes during which you can explain its contents or expand upon it. Indeed you may talk about anything else which may be on your mind. You do not need to use that time period, it is entirely up to you. Following the fifteen minutes the Senators would welcome a period of questions. They may question you on the contents of the brief, but there will be other questions as well. If you wish to direct any of the questions that they ask to other members of your group, please do so I am sure I would not mind, there may be specific questions they would wish to address, for example to Fraser.

Having said that, the only other thing I would like to mention, if there is, during the

question period, anything which you feel is of such a private and confidential nature that you would prefer to answer in camera, then we would be prepared to meet any such request. It probably will not be necessary, but in the event it should arise—fine.

Mr. J. W. H. Bassett: Thank you very much, sir. Taking for granted that the brief has been read, I have nothing further to say, gentlemen, other than what is in the brief. As the brief points out, if my premise is correct, namely that when we talk about Canadian ownership of newspapers, what we really mean and hope to achieve, is a diversified, viable Canadian ownership whenever possible, with strong local identification. As I said in my brief, I had the permission of the former Prime Minister to account in the brief, a dinner party in Mr. Pearson's home where a lot of us were there and did discuss the matter very seriously throughout an evening. I don't think anybody objects at all—nobody that I know of in the publishing business, doesn't believe that the communications in this country should be in the hands of Canadians.

I think there are many of us, certainly I am one, who would hope Senator, that this Committee would closely investigate the possibility for the future, if recommendations could come forward to make it more financially possible for those daily newspapers which are still independently owned and published, and managed in the areas where they are published. I am thinking, as I said in the brief, perhaps because I operate out of Toronto, I am thinking particularly of the provincial press in Ontario: I think if this could be done, that this would be a great service to the press, and beyond that because I believe the press exists to serve the public, and therefore I think it would be a great service to the public.

The other aspect of the brief was simply that I would hope that this Committee would examine the use by Canadian publishers of Canadian newsprint, and would perhaps use

the power of this Committee to find out in some detail what takes place in Sweden. It is very difficult, I have tried for some years. I sent a man to Sweden, the Swedish newspaper publishers are very careful about the information which they give. I guess they do not want to upset a good thing, I don't know, but it does seem to me that the use of Canadian newsprint by Canadian publications, Canadian publishers is important, and this should be perhaps of interest to this Committee.

Now, I know that the whole brief could be interpreted as being a special plea for the communications print media particularly, and of course, it is: and I make no apology for that, and as I point out in the brief, it does seem to me that the precedent has been set. The Government of Canada has used fiscal policy quite properly, in my view, because they believe that it is in the national interest that daily newspapers—and it applies beyond that, but here I am appearing in the capacity of a newspaper publisher of a daily newspaper—remain in Canadian hands.

Again quite properly in my view, the Government did not wish to enter into direct legislation which might have been interpreted by some, as an interference with the traditional freedoms of the press, and therefore they used fiscal policy to achieve their objective, all quite properly; but it did have the end result of putting the newspapers in a special category, and therefore if this was regarded as important in the national interest, my view is that it is equally important to see that what I believe are really the underlying objectives of this action be considered, and if my views find some merit, this would be carried forward.

If I may, as I said in my brief, be allowed in public to a personal note, I did want to make it clear while this may be construed as a personal, or special plea for communications, it is not a personal plea because I do not own any shares personally at all. Whatever shares I have owned of any of our businesses have long since been put in a trust, and if I died tomorrow, although I hope to live to 98, if I die tomorrow, this would not affect my situation at all, and I did not want anybody to think that it did.

Thank you very much.

The Chairman: The one thing that I intended to do in my remarks, and did not, perhaps

you would just explain the absence of John Bassett?

Mr. Bassett: Yes. Two of my three sons are engaged in business with me. My third son is not. He is engaged in the financial business in New York. My eldest son had hoped to be present, and at the time I wrote the brief I thought he was coming; however, he had to have a cartilage operation on his knee the other day, the third one unfortunately, so he only got out of the hospital the day before yesterday, and is limping around on crutches. I am sorry, I apologize.

The Chairman: Section 2 of your brief states your son Douglas is sitting on your left. I would like to make it perfectly clear.

Mr. Bassett: Will the real Keith Davey...

The Chairman: I know John, and we are sorry he is not here, and please convey our good wishes. I would also like to give to the senators and to the witnesses some indication of our time table. I am hopeful that we may be able to complete our questioning and adjourn at about 12.30 because I promised the members will attend the Royal Assent which is 12.45.

I would also like to mention to the Senators that Mr. Bassett is here today in the capacity as Chairman and Publisher of The Telegraph Publishing Company Limited and while questions about CTV and CFTO will not necessarily be out of order, you should be mindful of the fact there will be opportunities later these hearings to talk to people in CTV and CFTO.

Yes, Senator Smith?

Senator Smith: Thank you, Mr. Chairman. Now, as Mr. Bassett knows, I have a special interest in the newsprint business which I do not think we need to go into, he knows that.

I have looked at this brief very carefully and I must first insofar as the brief in general is concerned, it is a very valuable one in this respect—that you point out, and aim at certain recommendations, and it is on the basis of those recommendations I would like to see most of our discussions rest, because it is a very unusual and very interesting proposal that you made with regard to newspaper print prices.

In your brief starting on Page 10 you begin the discussions, and it follows along to Page 14 when you arrive at your proposal that consideration should be given to newspaper

that tax benefits should be considered for newsprint manufacturers to be used for a reduction of prices to the total Canadian publishers, I interpret that as being a kind of Government subsidy to the public interest because it involves a media that must be in serious trouble. You would prefer to stand on your own two feet.

Now, I would like to explore that a little bit if I may. In the first place I want to draw your attention to the table, and it is an interesting table, on Page 11 showing the constant rise in the cost of newsprint. I know it is a worry to a lot of the publishers. It is a worry to the newsprint industry too. I hope I am not taking too long to paint a background on this thing?

The Chairman: It is fine.

Senator Smith: Because there have been times when we have just about hoped we have finished one of these periods in which the industry found itself in serious trouble. Perhaps the most serious trouble the industry was ever in was in the days when newsprint sold for \$35.00 a ton when you, yourself, were a temporary employee of a news print industry in my own area, but let me just...

Mr. Bassett: If they survived...

Senator Smith: That was worse, of course. That was during the very, very tough days. Let me ask you this question then. At the bottom of your table as of January 1st., the price of newsprint according to your table will be \$143.00 per ton Canadian and you were notified of that on September 30th., 1969. Do you expect to have to pay \$143.00 a ton for all the newsprint that you use as of January 1st., 1970, and if not, what price are you going to pay for it?

Mr. Bassett: I expect to pay \$143.00 a ton. Do you know any way I can get it cheaper from the Mersey Paper Company, I am a prime customer. That is my objection. I believe, I make it very clear in the brief, and of course I have made it very clear over a period of years, nobody, and least of all myself wants to see the newsprint industry in the kind of condition it was, along—I might say of course with most other industry—in the depression years. As you have said I have worked on the Mersey Paper Company. The fact is, however, that the newsprint industry is the greatest earner of American dollars of any single industry that we have and it is my

considered opinion that if any other industry raised its prices—I am not at the moment speaking of the amounts which may be justified or may not be justified—but if every mill and every aspect of a business in this country raised its price by the same amounts within the same period of time to every single customer it does seem to me that there might be some interest by the Combines people in that kind of procedure over a period of years.

Senator Smith: Yes. I am quite familiar with your statement in your brief, but I do not have the reference here, that you have always taken the position that there is, in effect, a Combine; that the response when you have taken it up with the Newsprint Association and Pulp and Paper Association has been that Mr. Fowler has always said "well, go ahead and prove, if you think so". This is not the first time I have heard it raised, and it is a subject that interests me perhaps as a Parliamentarian as well as a citizen and my information over the years, and gained only from being very friendly and—of course, I want to put on the record I have no connection whatsoever with the Bowater Mersey Paper Company. My profession used to be a dental surgeon and that is a far cry from the newsprint industry—but they themselves, have always categorically denied that insofar as the extent of their supply to the Canadian market was concerned, and also with regard to supply of certain areas of their market in the State because they have been into very competitive situations.

Now, just recently I have had another assurance that insofar as their knowledge is concerned that they have now passed through one of the most competitive market situations that they have ever experienced. It has been difficult; they have been searching within the radius of Toronto, and over in Detroit for extra markets to take up the slack. As we all know, the industry itself has been down. They have laid off men for varying periods...

The Chairman: I think the Senator is coming very dangerously close to making a speech.

Senator Smith: Oh, all right, I will stop. It is a difficult area to explore. Now, I think I have come to the question.

The Chairman: I do not mean to interrupt your train of thought, Senator.

Senator Smith: Quite apart from the billed price, I may be misinformed and I want to know whether I am because I am seeking the real story on this thing, are there any other—I do not like to use the word “device”, there must be a better word—is there any other technique of getting a favourable position in the purchase of newsprint apart from the price “so much per ton”? You say that you are going to pay \$143.00?

Mr. Bassett: Yes, there is. Yes, the advantage that we have been able to achieve, and I am speaking only of the Telegram obviously, we have with certain of our suppliers—it is important in the money market of today, and we use a great deal of newsprint, we have been able—with I think two of our suppliers to have extended credit which has, if you figure in the interest rates, gives you some advantage. In other words, we get a ton of newsprint and instead of paying in 30 days in certain areas we would not pay for it for 90 days.

The Chairman: Do you ever go higher than 90 days?

Mr. Douglas Bassett: Oh, I think we have on occasion.

The Chairman: What is the highest?

Mr. D. Bassett: It depends on the arrangement you would make, probably 120 days at the most.

Senator Smith: Do you ever figure what that monetary value is?

Mr. J. Bassett: Maybe it amounts to \$3.00 to \$4.00 a ton but this is applied to two suppliers, and we have five suppliers. We were not successful in negotiating it with the others.

Senator Smith: Yes. Are there any other techniques used to try to better this price that is supposed to have been the agreed price?

Mr. J. Bassett: Not that I know of. When I came to the Telegram as General Manager, and Mr. McCullough was alive, the Telegram got all its newsprint from one source. I felt this was a weak position for the newspaper to be in. As President of that Company when the contract ran out after I had been there about a year, I then negotiated with other companies; but the President of the newsprint company which had been the traditional supplier, and still supplies us with a consider-

able amount of newsprint was a great friend of the late George McCullough. I had not consulted Mr. McCullough about these negotiations but of course the President of that newsprint Company did; and we again signed a contract for one supplier only. It proved to be an unwise decision because during that period of time *Weekend Magazine* came into being. We went into *Weekend Magazine* and we were responsible for a coloured comic section, and this newsprint company in spite of its promises to us did not supply it. It was in the amount of about five thousand tons of newsprint a year; so happily we were able to find the newsprint in other sources. Of course when that contract ran out—in the meantime Mr. McCullough unfortunately had died, but I then negotiated with several suppliers and we have followed that policy since.

Senator Smith: Mr. Bassett, is this price that you pay, is that F.O.B. at the back door of your plant—perhaps the front door?

Mr. Bassett: No, the back door. Delivered to the plant.

Senator Smith: Has it always been that way?

Mr. Bassett: There was a time it was delivered to the siding, and we had to deliver it from the siding to our plant.

Senator Smith: There would be a trucking charge?

Mr. Bassett: That is right, there was a trucking charge. Now the mill absorbs that charge.

Senator Smith: Is all your newsprint brought to you by rail?

Mr. Bassett: No. 60 percent by rail and the balance by truck.

Senator Smith: You don't have any newsprint delivered by water?

Mr. Bassett: Oh, we tried for awhile. You knew Moby Jones—he was Chief Engineer of the newsprint at Bowater. As you probably know better than I, they were very keen, and when he talks of the competitive situation they were very keen to extend their sales within Canada. They felt they should be selling in Canada which they were not doing to any great extent at all. We were glad to do business with them for lots of reasons. H

had the idea if the newsprint came by water this would reduce the cost to us—reduce the cost to them thereby reducing the cost to us. It just did not work out that way. Do we still do business with them?

Mr. D. Bassett: No, no. The damage at the wharf was just fantastic.

Senator Smith: That is an interesting point. Do you know the reason?

Mr. J. Bassett: I do not know specifically. I have heard talks about the stevedores, but...

Senator Smith: Well, you know it appears not to be, but it is a very delicate thing to handle on the wharf side—unfortunate circumstances. I presume this was supplied by Bowater (Newfoundland) by one of the ships going up the canals. I would not know anything about that at all.

I would like now to turn to your reference in the brief with regard to the differential between the price the American publishers pay, and the price that the Canadian Publishers have to pay. From the reading of your brief, there is a certain difference but you seem to play it down as though it was not important. What is that differential in your experience?

Mr. J. Bassett: It is important, but I do not think it is important enough. The differential is traditionally based on the price of newsprint delivered to New York, Mr. Perigoe, correct me if I am wrong, which is quite possible—but traditionally the price was fixed on what it cost for a ton of newsprint F.O.B. New York City. If a paper was located nearer a mill than New York City the transportation of getting that ton of newsprint from that mill to that newspaper was less, and that advantage would accrue to the publishers. For instance for some years I was publisher of a small daily newspaper in Sherbrooke, Quebec. It was a small paper but we used to get our newsprint sent down in the back of a truck virtually from the International Paper Mill in Three Rivers. So the cost of the newsprint delivered to Sherbrooke, a few hundred tons a year, in that way, sent down the road from Three Rivers to Sherbrooke was less than the transportation of a similar ton of newsprint from that mill to New York, and therefore the differential grew in that way.

Senator Smith: What is your experience of today with regard to what that differential really is?

Mr. Perigoe: About \$9.00 a ton. \$152.00 in the States, and \$143.00 in Canada.

Senator Smith: It used to be \$4.00. Now it is \$9.00?

Mr. Perigoe: Now, it is \$9.00.

Senator Smith: Have you also taken into consideration the effect of the American exchange situation?

Mr. Perigoe: The American customer is only paying \$152.00; he is paying it in U.S. funds.

Senator Smith: He pays in U.S. funds?

Mr. Perigoe: The benefit is to the mill.

Senator Smith: Thank God for that.

Mr. Bassett: Oh, of course, I would not care if the American publisher paid \$180.00 a ton.

Senator Smith: You don't agree then this should form part of my personal assessment of the facts of the differential. I should ignore this 8 percent or 9 percent, whatever it is, that goes into it when I am trying to understand the comparative position of the publisher down in New York with your position in this country. You believe that I should disregard the exchange situation?

Mr. Bassett: Senator, I do not suggest you should disregard anything. There was a time, when the mills, for a short period of time when the Canadian dollar on the exchange was slightly higher. During that period, of course, the mills suffered on the exchange. I personally do not believe that the exchange rate is a fundamental aspect of the price per ton of newsprint. If tomorrow, through sound financial management, or through whatever reasons in this country, as compared to the United States, our dollars were par, the mill would lose that advantage. Now, presumably there might be other advantages that the mills would accrue in other ways if the dollars were at par. I do not know, but if that advantage goes to the mills, and if they regard it over-all as an advantage, I am glad. The thing, which as I say in the brief, and this discussion has been going on for years with the publishers and the newsprint manufacturers, some publishers, I, for one of them, have been much more vociferous about it than others. For a period of fifteen years I have been complaining about this because I object to the principle as much as anything else.

The fact is that the price of a ton of Canadian newsprint to a Canadian publisher is basically set on the price of newsprint delivered in New York. I don't think that is right.

The other matter, as I said in the brief, is for years presidents of newsprint companies would say to me, "Well, John if we make any real differential in price to Canadians, this is going to upset our American customers. How are we going to justify to an American customer that you are paying less". I don't believe that to hold water anymore because newsprint manufacturers will be the first to tell you that if their American customers can get their newsprint less expensively, and just as conveniently, and the quality is good—more or less. The Georgia Pines development is an ever increasing source of newsprint—the American publishers that used to take Canadian newsprint that can now get it less expensively from the State of Georgia have not hesitated because of the long association with their Canadian suppliers. They have not hesitated two minutes, and I do not believe this would upset their customers in the U.S. Fellow who buys newsprint in Canada buys it because it is the best product all around that he can get at the price delivered to his newspaper. That is my view.

The Chairman: Just on that point, you said that you do not think that argument holds water any more. Do you think it ever did?

Mr. Bassett: Well, I think it held water before there was any newsprint available from Georgia. Georgia Pines Development is a post-war development.

The Chairman: But prior to that development?

Mr. Bassett: Well, I accepted it. I was a young fellow, as I say in the brief.

Mr. Chairman: You were naive.

Mr. Bassett: I was naive—maybe. Also no Canadian publisher that I know of, and I do not want to be misconstrued on this—I think the Canadian newsprint industry is a hell of a fine industry, and its development has meant millions and millions of dollars of foreign exchange coming into Canada which we vitally need—nobody wants to interfere with that situation, a great export like that.

The Chairman: You made that clear enough.

Mr. Bassett: But the total Canadian use of newsprint is approximately 10 per cent of production. My view is that if the Government of Canada has decided in the national interest newspapers have to be in a special category and I find nobody that disagree with that. I therefore question if anybody would come before the Committee and suggest that this Committee recommend to the Government that Canadian qualifications be removed so that the publishers could then go out and sell their newspapers, if they so desired, in the market place to the richest purchaser. I don't suppose anybody would ever suggest that.

Mr. Chairman: Well, subject to reading the record I think that has been suggested.

Mr. Bassett: Well, I would be totally opposed to it.

Senator Prowse: Not quite.

The Chairman: Not quite—almost.

Senator Smith: You just cannot agree with me then that the fact that the price in New York City is \$152.00 U.S. is not the basis the U.S. translated into lesser Canadian dollars. That does not seem to me to be the basis for their prices down in the United States, and do not want to —

Mr. Bassett: I don't think I follow you, sir.

Senator Smith: All right, let me start again. It seems to me in the first place that if the American exchange was wiped out...

Mr. Bassett: Yes.

Senator Smith: In order for the newsprint industry in this country to stay in business because they export 90 per cent of it, and not all to the United States of course, they would then have to negotiate a relatively higher price in order to compensate them for the loss of that 8 per cent or 9 per cent. It is 8 per cent American exchange advantage which they are under, otherwise they could not do business. That is their profit if some of them are having profits under average conditions; but you just do not agree with me apparently that this is part of the reckoning when you figure the differential?

Mr. Bassett: I believe it is perhaps part of the reckoning of a board of directors of newsprint companies. I don't deny that, but I question whether the foreign exchange should be

part of the reckoning. The proposal has merits, and it may be thrown out immediately, in the first five minutes of your deliberations after the public hearings are over; but I am sure it is part of the reckoning of a board of directors of a newsprint company. I am sure it should be part of the reckoning of the Senate Committee discussing this matter of Canadian publications.

Senator Smith: Well, we have to explore the thing from all angles, and we are going to be wrong in our assumptions, if any of us have assumptions on this, of course...

Mr. Bassett: I hope you are not.

Senator Smith: We are not talking about the effect on the mass media, of the cost of a product which you must have in order to publish, that is cost of newsprint. May I suggest to you and ask you for your comments—this is hypothetical but it can happen—if that American price with the American exchange was levelled off with this country, and that business on the New York market for reasons of survival had to be negotiated rather sharply upward, at least to 8 per cent to keep a lot of mills in operation, would you not under those circumstances expect to pay more for your newsprint in that situation?

Mr. Bassett: I would expect to pay more for it, no question; but whether I would think that correct treatment for Canadian daily newspapers, I am not so sure.

Senator Smith: We are going back to what you are proposing, and this is interesting, of course, if those things happen then it is too much punishment for industry, and therefore Government should consider subsidizing the public industry by giving cheaper newsprint?

The Chairman: No, I do not think he said that.

Mr. Bassett: I reject that as absolutely out of hand. I am totally opposed to Government subsidy for the press in any form whatsoever—absolutely, totally.

Senator Smith: I used the wrong terms. He said the tax incentive, or tax correction with the industry which would result in lower prices.

Mr. Bassett: I do not think Senator that you overlook the fact and basis of this whole brief. I wouldn't be here at all, and unless I invited myself to this party.

The Chairman: You would have been invited, I am quite sure.

Mr. Bassett: But the basis of my whole brief, the reason I invited myself then is that I did not make the decision as a newspaper publisher, and I am empowered to do so. I have never been successful in two tries in getting to a position where I might have had a responsibility in the House, but the fact is that the Government of Canada decided that media was special. There had to be different rules. They said that if you want to go—well, you people were already in the publishing business when the rule was brought down, but they said—now, the rules are going to be changed; newspaper publishers are going to be different; in our free society, unlike any other business that I know of, that does not require a Government license to operate in the first place, you can't sell your product, you can't sell your capital assets should you want to get out of that business to the highest bidder, on the open market because we believe in the public interest there must be certain restrictions; and they did that in my opinion for good and sufficient reason. Now, this Committee has been set up to explore the whole situation. I am simply suggesting that when that decision was taken that that decision should be examined to see if what is in fact happening, is really what was intended by the representatives of the people of Canada.

The Chairman: I think those comments really are contained in the first paragraphs of your brief. The brief was presented and we shall perhaps come on to those, and I quite agree they are basis for observation on the second part of the brief. I think the specific clause that Senator Smith was referring to was 92. I do not have the reference in front of me, in which of course this has been explored. Do you wish to comment on 92 which is really what he was asking?

Mr. Bassett: No, I have nothing to add to it, sir.

Senator Smith: Yes, 92. Well, I have just about concluded this discussion, and I have found it very interesting. Thank you for being here, we are glad you came to give us your points of view, and answer the questions that arose. All I know is the skuttlebutt around the cocktail circle in Liverpool, and you know how small a circle that can be?

Mr. Bassett: Unfortunately when I was there it was prohibition times and all you got was a bottle of red-eye for a buck a throw from the taxi driver.

Senator Smith: Let me just conclude by making this particular reference on this particular subject, that if it is to be accepted that we should ignore the benefits of the foreign exchange situation on Mr. Bassett's tonnage figures which he gives as 44,000, my rapid calculation is that this particular publisher, Mr. Chairman, does benefit from a differential in total per annum of about \$400,000.00 at the present time. As he said in the beginning there was a differential and it was important. If you take my figures it gets pretty close to a million dollars, nine hundred and twenty some thousand dollars.

I am sorry I have held the floor so long.

Mr. Chairman: No, that is...

Senator Smith: I have a very simple question, and one of which other Members of the Committee have mentioned. I think others have been asked either formally or informally, and I put it to you, Mr. Bassett. What do you consider the second best newspaper in the country? Tell us why, if you have an opinion?

Mr. Bassett: No, I have no objection. The two best newspapers in this country are the *Toronto Telegram* and the *Toronto Star*. Not necessarily in that order, but I think taking it all around that the two evening papers in Toronto are the best papers in Canada. I must hasten to add that I am not sure that is a unanimous decision among all of the members of the Canadian Daily Newspaper Publishers Association, but I think if you examine in detail, and some among your Committee have had professional experience, if you see the total effort that these two newspapers make to meet what I regard as the responsibility of a publisher I think they come closest in the country to the ideal.

Now, the last purpose that I have before this Committee is to promote the *Toronto Star*, so I will refer only to the *Toronto Telegram*, but mostly what I say does also apply to the *Star*. I notice in the *Montreal Gazette* this morning that Charles Templeton, an old friend of mine, appeared before you yesterday. Although he spoke of the three extraordinarily fine papers in Toronto, I do not put the *Globe and Mail* in the same category as I do the *Star* and *Telegram*. With respect to the *Globe and Mail*, for instance, Mr. Templeton

spoke yesterday about foreign coverage. The great bulk of foreign news in the *Globe and Mail*, is of course, from the New York Times Service and London Observer. They have a staff man in China, and they have a staff man in Washington, and I think in London.

The *Telegram* has a staff man in Moscow, the only Canadian newspaper to do so. The Canadian Press has even withdrawn its man from Moscow. Only the C.B.C. and the *Toronto Telegram* represent the media of this country in Moscow, surely one of the two or three top capitals in the world. We have staff men now in Washington, London, Moscow, Paris, Bonn, Rome and Hong Kong. Now, this is a tremendous effort for a single daily newspaper. There is no daily newspaper in North America with the exception of the *New York Times* that has more foreign correspondents than the *Toronto Telegram*. Virtually speaking not quite to the same extent, not by quite the same method, but the *Toronto Star* also do that kind of job in foreign coverage. For Canadian coverage men who are instructed, if they are not Canadian citizens they are brought here; they have just all left, they come here each year to Toronto and they meet with Mr. Kelly, with our Ottawa bureau and with our senior editors. We have a foreign editor on our newspaper whose sole job is to deal with these foreign correspondents—a well paid foreign editor, that is his job, and as a result for instance what I regard as a failure of the Canadian press for instance to support a man in Moscow, we are able to through a syndicate service, most of our foreign correspondence, particularly our Moscow copy is made available to 34 papers across this country. Doing a national job as well as a job for readers of the *Toronto Telegram*.

Moving on to national news we support a bureau of three or four people in Ottawa. The *Toronto Star* at least as many, maybe more. Both papers have bureaus at the city hall in Toronto, Queen's Park, and of course in the Province of Quebec. I was very interested to read the press report of Mr. Ryan of *Le Devoir* before your Committee because he is a great friend of mine. *Le Devoir* and *The Telegram* through our television interests, have been able to do a good deal of things together in the field of public affairs; it has been a great sorrow to him that the French dailies are not as representative of Ontario and Toronto as the *Toronto* dailies are down

there. *The Globe* of course is included in this too.

Now, if you go into the other aspects of journalism, if you look at the entertainment section of the *Star* and *Telegram* they are first rate; they compare with the entertainment section of any newspaper in North America that I see; and I see the *New York Times*, the *Washington Star*, and *The Los Angeles Times* every day. The entertainment section in the evening papers in Toronto, the amount of money they spend, the coverage they do on television, regular television columnists to news of movies, and plays. *Toronto Star* has a first rate—Nathan Cohen—well, anyway he is first rate.

We now send Ron Evans—Hickland—we now send people down to New York to cover the plays there, plays that ultimately come to Toronto. The whole entertainment section of both the evening papers is first rate. *The Globe* and *Mail* has a indifferent entertainment section.

The Chairman: As you cited those virtues, and I think you should know that when it comes to Quebec coverage, a number of witnesses have specifically spoken of the good job which is being done by the *Toronto* papers, yours included. I could not help thinking that as you listed these things that would not other publishers argue that that is fine; the *Star* and *Telegram* can afford to do these things; we cannot?

Mr. Bassett: I would not attempt to answer it.

The Chairman: But you did say that you do not think the Canadian Press does an adequate job in some of these areas?

Mr. Bassett: Well, I used to be very active in Canadian Press, a Director for many years, and I am not very active in the Canadian Press any more. I think that Canadian Press does an adequate job in certain areas but unfortunately these areas to my way of thinking have very little reference to the need of a competitive daily newspaper. I think Canadian Press is designed to supply the needs—somebody has to supply the needs—but I think Canadian Press is primarily designed to serve the needs of smaller middle sized dailies across the country, the non-competitive market.

Senator Smith: This is very interesting—a very interesting response to my simple ques-

tion. I am so glad you could put this on the record because I think you will find the agreement of those of us who have the opportunity of reading the newspapers that you speak of. A question occurs to me, have you read, or at least do you read the *Washington Post*?

Mr. Bassett: Yes, I do, not regularly, but I get it.

Senator Smith: Well, I am tracking you now then, do you notice that wonderful piece of newsprint that is published?

Mr. Bassett: Comes from Liverpool, Nova Scotia.

Senator Smith: Bet you life. I would just like to put something on the record in response to Mr. Bassett's reference to no manufactured product rising so rapidly over such a short period of time, and indicate to the Committee a little justification for this rapid increase. In 1945—I confirmed these figures just recently—the basic wage of the fellow that cleans the snow off the driveways, and does other menial tasks was .57¢ an hour; today the minimum wage is \$2.98 plus rather expensive fringe benefits which are a little difficult to assess. That is one of the big reasons why the newsprint industry is in the position it is today with regard to price.

That is all, thank you very much.

The Chairman: I thank you Senator Smith, and I am sure the Liverpool Chamber of Commerce will thank you.

Senator Prowse: I think we could leave the snow on the driveway at that price.

The Chairman: Thank you, Senator Smith. I would like to pursue the question, Mr. Bassett, with the second best newspaper in Canada. We have heard a great deal of hearsay already, and I am sure we will hear more about the happy situation in Toronto, as it has often been referred to, of three active competitive daily newspapers, a situation which is said to be unique certainly in Canada, and perhaps in North America. Why does that situation pertain in Toronto? If I may say, Mr. Bassett, it is perhaps not sufficient to say it is the size of the area, because there are other cities, New York for example, which is probably four times the size of Toronto, has only three daily newspapers. Why does the situation pertain in Toronto, and not in other big urban centres? What is unique about Toronto?

Mr. Bassett: You say it is not enough to say it is the size, I think it is the importance of the Toronto market. It is probably the basic ability of the Toronto market to support this because after all there is not only three dailies, there are six television channels, and six or seven radio stations. I think that the basic reason has to be the richness of the Toronto market.

The Chairman: Well, let me ask you this, I quite appreciate we are not studying the problems of newspapers in the United States, but I think for our study it would be interesting to know. Why, for example, in your opinion are there only three daily papers in New York, and other big American cities which you know better than I do, why there is not as much competition as in Toronto?

Mr. Bassett: I think one of the factors of the situation in New York, and it is one of the reasons of course, why both *The Star* and *The Telegram* in recent years have gone into the business of acquiring suburban weekly papers in the peripheral areas of Toronto, of metropolitan Toronto. I suppose Mr. Honderich is coming here and he can answer for himself but certainly for instance at *The Telegram*, we had no interest at all in entering the weekly newspaper field as such. I have not any interest in that field as a publishing field.

Now, that is only my personal view. I think the weekly papers served more in rural areas, and in all areas because they get to the heart of local news, and local issues that are of interest to the people in restricted areas; but we did not go into the weekly for those reasons at all.

We went into the weekly business largely—I made this decision just a very few years ago—when I saw the tremendous development of the daily papers in Long Island. With the flight to the suburbs, the New York papers suffered greatly, and while papers were dying in New York a couple daily papers were developing in Suburban Long Island. So one day I took a pencil. I said—well, here is Lake Ontario, and I went like that (indicating) and I said let's try and get weekly newspapers at strategic areas. I do not know what the future of these papers will be. Well, let me say first of all we got into this field to protect *The Telegram*. That was the objective, and my view was that possibly at some stage these weekly newspapers, on the day which they are normally published,

would go to the readers in those different areas as an insert—Harper, you know what I am talking about—as an insert of *The Telegram* itself, and in this way we could retain the interest of families who perhaps at one time lived in Rosedale, or Forest Hill, or wherever, and had fled to the suburbs.

The Chairman: When do you think that will happen, Mr. Bassett?

Mr. Bassett: My son owns the weekly papers. They are going well on their own, and as so often happens he would very strongly resist now any idea of making a reader of the *Mississauga News* have to buy the *Toronto Telegram* in order to get his hands on the *Mississauga News*. So I cannot answer that, I do not know what the development will be.

The Chairman: May I just say to the senators on this point, and to you, I am sure you know—I am not sure of the date but I believe it is in March we will be dealing with the weekly newspapers. We have a weekly newspaper forum scheduled and Douglas, I am awfully glad you are coming, and perhaps at that time we will get more directly into the problems of the weeklies, and more specifically the particularly interesting phenomena of those purchased by the metropolitan dailies or suburban weeklies.

Mr. Bassett: The reason we went into it and I suspect the *Star's* was the same, but the reason we went into the field was to protect the position of *The Telegram*. The weekly field is not really my bag.

Mr. Chairman: Do you think Mr. Bassett that *The Telegram* serves the suburbs of Toronto now?

Mr. Bassett: Yes, we like to think we do. It is like saying that what is local news in Toronto? Immediately after the war when operated *The Sherbrooke Record*, there was no problem of what local news was in Sherbrooke, but with the interests of the reader of *The Telegram* in the metropolitan are like Toronto, it is not so easy to define local news and local services. Now, a great disappointment to me, and I am sure a great disappointment to you, I am not being personal, was the latest civic election in Toronto.

The Chairman: I have already spoken about it—it was terrible—you mean the number of people voting?

Mr. Bassett: Well, yes, I was not as disappointed as you were about that specific result about young Clarkson, but when you have three Toronto daily papers, and in the field of television—at our television station we had nine candidates up, public affairs programs, and columns of space and coverage of meetings, pictures, and the end result is that you get something like 33% of the eligible voters going out to vote in a city of the importance of Toronto. I mean the effect these people have on the lives of all of the citizens of Toronto, it is just terribly disappointing and makes you wonder what the hell is local news.

The Chairman: We spoke about this the morning the C.D.N.P.A. were here, I made the exact same point, and I agree with you. I would like to ask you a question specifically on this. Your suburban weeklies about which we will talk in a month or so are Bramalea, Burlington, Mississauga, Newmarket, Oakville, Stouffville and Whiby. I would regard these and they certainly are suburbs of Toronto but there is an entire periphery of communities in North York and Etobicoke as you know. Speaking of your municipal election coverage, and I have said, on the record, at these hearings, and I say now on the record, that your coverage of the municipal elections was full and fair. I think that is true of all of the papers.

Mr. Bassett: No. No, question at all.

The Chairman: You put forward a slate of candidates for election to municipal offices. All the Toronto papers do; but I live in Ward 1 in North York. I do not believe there was any recommendation from the Telegram as to whom I should support for alderman. The point I am making is there are, I think, eleven wards in Toronto; and you recommended aldermanic elections in those eleven wards, but there are thirty wards in the boroughs which are part of Metro, and you did not feel compelled to offer advice to the people who live in those five boroughs, and I am wondering why?

Mr. Bassett: Well, the answer is simple. We did, as you know, recommend candidates for Mayors and Board of Control, and so on in the boroughs. We recommended in certain specific areas, certain specific individuals besides those men. But your point is well taken. We discussed it at some length, and the decision taken by our editorial board with which I concurred, was that we did not have enough detailed knowledge of the candidates

in those areas. In other words, it is something that is going to be discussed very soon after the holiday season as to what we should do. None of the Toronto dailies did.

The Chairman: No, in fairness I was going to say that. I am not putting that to you specifically.

Mr. Bassett: We all maintain large and expensive bureaus at City Hall in Toronto. We do not, in the same detail, cover all the civic affairs in all of the boroughs.

The Chairman: Well, you have one man in each of the boroughs?

Mr. Bassett: That is right, we do have one man, but I think we have six fellows at City Hall in Toronto. Now, the justification of this is, of course, that most of the people that live in these boroughs work in Toronto. Really the City of Toronto is the focal point of the metropolitan community, but I think we are probably going to have to do more.

The Chairman: I did not put forward as a criticism, I was just curious.

Mr. Bassett: That is why. We did not feel qualified. We did not have sufficient information.

The Chairman: I should explain to the Senators who are not from Toronto that in Toronto the newspapers publish slates of candidates, and list everyday the candidates that should be supported in various wards. The point Mr. Bassett was making was they did recommend certain aldermanic candidates in certain boroughs at one time, once in an editorial, on the editorial page; but the slates appear every day. He did quite correctly say they did recommend candidates for the mayoralty of the boroughs and for the Boards of Control, but not for the aldermanic offices; and of course he agrees with me that these are as important as the alderman in the City of Toronto.

Senator Prowse: Does the slate change from day to day?

The Chairman: No, I must say in fairness it does not.

Mr. Bassett: We say we recommend.

The Chairman: Mr. Fortier?

Mr. Fortier: Thank you, Mr. Chairman. Mr. Bassett, I was interested to hear your philosophies behind your purchase of weekly news-

papers, and I wonder if you could attempt to reconcile this philosophy, verbally expressed some five minutes ago, with the philosophies which permeate your brief, that you favour local ownership of newspapers in areas of publication?

Mr. Bassett: I do not reconcile it at all. I think it would be more advantageous for all those local communities if local people owned the weekly papers which I own.

Mr. Fortier: But circumstances have forced your hand?

Mr. Bassett: But I think it more important *The Telegram* remains strong and viable, and not be crowded, and not be choked to death—as might not happen, I do not know; but I think it is my responsibility as publisher of *The Telegram* to take whatever steps I think are necessary to take to insure the strength and survival of *The Telegram* over a long period of years. We saw in New York, I think it was a factor in New York, I could be wrong, but I really think the factor of failure of daily papers in New York City proper, was flight of population for living purposes, not working, to suburban areas. There were many other factors too, which I am not going to get into, but there were certainly other factors which were important. I believe—it may be an absolutely idealistic situation, but I really believe that if every daily newspaper in Canada, and every weekly newspaper in Canada was owned, and run, and operated by a citizen, or citizens who live every day and were identified through living in the community in which those weekly and dailies were published, we would have a better press in the country. I believe that.

Mr. Fortier: But in this very area though, are you suggesting that it is more important that the *Toronto Telegram* be economically sound and viable than it is important that the local people know that the local newspaper is published by one of them?

Mr. Bassett: It is more important to me.

Mr. Fortier: This is what I understood. I thought you clarified...

Mr. Bassett: But just as I am sure, and I have read, with other fundamental differences, that as owners and officers responsible for the operation of the chain dailies take the steps which they think are the best, and so on to insure local identification of papers which they own, through varying degrees of

authority given to the local editors and so on so we do with these weeklies. The fundamental difference however, and I have argued this quite often—as I said in my brief, I expressed my respect and indeed my affection for most of the senior people in the chain operations in this country, but I also said in my brief...

Senator Prowse: I notice the "most".

Mr. Bassett: Well, it is very strange to me but not everybody likes me; but the fact of the matter is there is one fundamental difference—I believe it is terribly important in journalism for readers of a newspaper or the individuals upon whom a newspaper may comment editorially—elected people at every level of government, Senators, leaders of business, education—but especially the readers, to know where the ultimate decision of responsibility lies. So there is a fundamental difference between the operations of our weeklies and what I understand to be the operations of the daily newspapers which make up the three predominant chains in this country; and that is, that while the local publishers of these papers have complete autonomy in areas of local issues and so on, they don't have autonomy at all editorially, let us say in a general election. *The Toronto Telegram* for instance—if there was a general election tomorrow and we supported the N.D.P. which would be unlikely, but if we did, then everyone of the weekly newspapers would editorially support the N.D.P. too, and even one of the readers of those newspapers, if they did not like it, they could pick up the phone and they know Bassett is the fellow that...

Mr. Fortier: What would you do if anyone of the weekly newspapers did not tow the line?

The Chairman: Just for the purposes of the record before we go on, I think the *Thomas* newspapers in their brief made quite a point of the fact that all of their papers do not support the same party at election time. The decision is left up to the individual paper.

Mr. Bassett: I said that, I said the fundamental difference, the fundamental difference.

The Chairman: Oh, forgive me.

Mr. Bassett: Well, perhaps I should say—my old friend St. Clair Balfour is here, and we have argued this many times, and I have always said to him that I would have no hesitation at all if I was President of the

Southam Company, and there was a national issue to be discussed which was of national significance, or if I owned any newspapers across the country, I'd take the responsibility for the editorial policy of all those newspapers.

Mr. Fortier: You as the publisher would take all the responsibility?

Mr. Bassett: Absolutely. So that if I owned a newspaper in some place other than Toronto—and I think this is a drag, I did once own a newspaper, and literally gave it away to the employees. It is a drag to have a newspaper in some place other than where you live and operate—that is just one man's view you understand—but if I did, I believe the responsibility in publishing is the key—that is the name of the game as far as I am concerned. Now, I will give you a specific example, the *Telegram* as the Senators certainly know for years traditionally and generally supported the Conservatives. In 1963 we supported the Liberals—that cost me over 10,000 readers—10,000 readers. I could bring the A.B.C. figures and show you.

The Chairman: You have since picked that up?

Mr. Bassett: Yes, we have, but it took us a long time, and after all where the hell else do they have to go. They got very mad but it was not going to warm very many Tory hearts to read the *Star* so they came back to the *Telegram*. This is what I mean by responsibility. Those readers did not like what they did; they knew who to blame; the letters and the telephone calls were fantastic; they knew who to blame and what action to take, and took it.

The Chairman: This happened when you took the Union Jack off the corner years ago, did it not, or that was prior to your time?

Mr. Bassett: That was prior to my time.

The Chairman: Just on this point if I may, Mr. Fortier, before you carry on, I would like to refer to two comments. Yesterday I read a letter from a gentleman in Owen Sound pointing out that no daily newspaper ever in his country has supported the N.D.P. at election time. Senator McElman challenged that, and I said that we will check the record to find if that is the case, and we will. The question this person asked me to put to the publishers is—how is it that no daily newspaper has ever supported the N.D.P. at election time?

Mr. Bassett: Well, I cannot speak for any other newspaper but the *Telegram* has never supported the N.D.P. at election time because I do not believe in the policies they espouse.

The Chairman: That is the answer I thought you might make.

Mr. Bassett: What other answer is there?

The Chairman: Well, I think that the point that was made by the person who wrote this was, is it not an unusual thing that the party is able to attract 20 to 25% of the vote to use his figures, and yet never is there any editorial support?

Mr. Bassett: Oh, well now—there is editorial support...

Mr. Chairman: At election time?

Mr. Bassett: Yes, that is right. There are certain proposals, many proposals, both provincially and federally—proposals which have been brought forward by either the leader or individual members of the N.D.P.—which the *Telegram* has supported. But on balance we have never supported the N.D.P. We have never urged editorially that our readers should elect either at Queen's Park or Ottawa, an N.D.P. Government because we believe the policies are not in the best interests of the country.

The Chairman: The other comment of yesterday which I would like to ask you about is Mr. Templeton when he was here in the morning, expressed the opinion that the majority of members of the working press tend to a small "l" liberal position. Would you comment on that, do you agree?

Mr. Bassett: I do not think that I can speak for the members of the working press. I don't know what a small "l" liberal is.

The Chairman: May I put the question to Mr. Kelly?

Mr. Bassett: Sure, sure.

Mr. Kelly: I am inclined to restrict my remarks to the large metropolitan dailies because I think there is a difference probably. I think probably he is right that there is an inclination in this way and I want to make it very clear, it is the small "l" liberal as opposed to the party Liberal. I doubt if it applies to smaller newspapers across the country, certainly in rural Ontario; I doubt if it applies throughout a good part of the west; but it probably does apply to metropolitan Toronto.

The Chairman: Well, I think Senators, we might break for three minutes.

The Chairman: If I might call the Session back to Order. I would like to begin the questioning with Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman. I would like to follow up some of your last answers if I may?

Mr. Bassett: Certainly.

Mr. Fortier: Do I understand you to say that the responsibility of a publisher in a newspaper also encompasses editorial initiative?

Mr. Bassett: Well, I do not know if I said that, but I so regard it.

Mr. Fortier: You do. The question was asked yesterday to Mr. McCabe as to whether the directors of a newspaper publishing company owe a first duty to the shareholders of the company, or to the general public—to the readers. I wonder if we could have your answer to that question?

Mr. Bassett: I am glad you asked that question. I don't know what Mr. McCabe answered, and I am glad I do not know what he answered because he is a friend of mine. Our company is, of course, perhaps a little different than lots of the large metropolitan companies in this field in that we are a private company—totally. We have only seven shareholders in our company, and I am the Executive head of the situation, and three of the seven shareholders are my sons, two of whom work with me. I think it is fair to say that we regard our responsibility as newspaper people—our first responsibility is to our readers. We have never paid any dividends, I don't intend to go into the financial aspects of our company. As I say it is a private company with only seven shareholders, but for the record we have never paid a dividend. We acquired this company back in 1952; we have never paid a dividend to any shareholders. We have used our profit to build a new plant, buy new presses, expand in those ways.

Mr. Fortier: Would you tell us who the shareholders are?

Mr. Bassett: Three Bassett boys, and four Eaton boys.

Mr. Fortier: These are John David's . . .

Mr. Bassett: His sons—John David's sons. So we would regard our first responsibility to

be to our readers. I must say that I think if you do not regard your readers as your first responsibility, your shareholders are not going to have anything to fuss about anyway.

Mr. Fortier: Would you go so far as to venture an opinion that it might be different in the case of a public company?

Mr. Bassett: I have no experience with those companies. I am not trying to beg the question. I think it must be accepted as a fundamental premise that a daily newspaper cannot do its job, no matter what the size, no matter what the community—the daily newspaper cannot do its job if it is not financially viable. You know the *New York Herald* in my view is a hell of a fine newspaper—I always preferred it to the *Times* for instance. Well, the *New York Herald Tribune* ceased to be financially viable so it can happen—in effect, no influence, you can achieve nothing.

Mr. Fortier: To what extent does ownership of a newspaper involve a concept of a public trust?

Mr. Bassett: I think very much. I have no doubt at all in my mind that people engaged in the newspaper business profession in this country—the good solid working newspaper people at any level could earn more money in another line of work, and I include myself. There is no question if a fellow like Borden Spears had gone into business, and devoted the same brains and ability in a company like I.B.M. he would be a hell of a lot better off financially than he is today. If I had gone into the Bank and ended up as President of the Bank of Montreal, instead of going into the publishing business I'd be a much wealthier fellow. I think this applies all the way through.

I think the reporters, the staff—and we lose many of course—the financial pressures of family, the rewards, they go into public relations, advertising, as you know Senators. In my experience which now stretches back to 1937 when I first became a reporter on the old *Globe and Mail*, so it is getting to be a lot of years, I think the newspaper people of this country are hard working dedicated men and women at every level.

Mr. Fortier: At this aspect of financial return, and I will not press you but I will ask you this question since I think you have opened it up the subject just now, and also in your brief, in Paragraph 67, you say that the costs of publishing a daily newspaper are we

own, and in most cases the return on invested capital in a newspaper publication is below the national average of business generally. Could you tell us on what newspaper figures you based this statement?

Mr. Bassett: I based it on the published figures of the *Toronto Star* which I consider to be a profitable newspaper. The *Toronto Star* announced recently that they are planning an expansion of something like forty million dollars. I also took into consideration the purchase price of the *Toronto Telegram*, and the twelve million dollar expenditure we made for new presses and equipment and building. If you take a forty million dollar expenditure, and the *Toronto Star* published profits of slightly over two million dollars, that is below the national average.

Mr. Fortier: So you did use your own newspaper as the norm also, did you?

Mr. Bassett: I used that to some extent, but I thought I might be asked that question so I worked out figures that were published, and sent them to the public.

Mr. Fortier: How does your editorial board function at the *Telegram*. Could you explain to us?

Mr. Bassett: We have a daily meeting over which I preside. At each meeting every day the editor-in-chief is there and the people that we call associate editors, people who other newspapers call editorial writers. It is my view, and I have just been complaining about the cost of publication, but it is my view of what I know of metropolitan dailies that these editorial boards are very expensive. A friend of mine once called it the extension of the ego of the publisher.

We are there every day at 11:30 after the first edition comes out. Some of the people on it you know. You know Peter Dempson who has been for years here at Ottawa. Reuben Sloan who writes abroad a good deal. We have an editorial cartoonist. John Harbron is another. Ervey Currell who writes our metropolitan City of Toronto editorials is another. We sit down, the first edition is out of both the *Toronto* evening papers. We sit there and we discuss what the editorial policy will be. Firstly we discuss the subjects on which we want to comment the following day. We discuss the various aspects, and we hammer out the type of position that we will present the following day on the editorial page.

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The editorial cartoonist usually has two or three, sometimes more, but normally two or three very rough drawings which he puts up for consideration. Normally one of which we choose—sometimes we say go back to the drawing board, but normally one is chosen. He then finalizes that editorial cartoon for the next day.

If people like Fraser Kelly are in town he is present, the foreign correspondents, or if our man is up from Quebec City for instance, these gentlemen will also attend these conferences.

Mr. Fortier: Would it be fair to assume on my part that you exercise a right of veto over any decision?

Mr. Bassett: Oh, that would be a fair assumption, you bet. I am one of those that believe in personal journalism—I always have. I believe that the editorial page of a newspaper is the direct responsibility of the publisher. You will never see an editorial on the *Telegram* that does not express to some considerable degree my beliefs on a certain subject.

Now, let me say that we have lively discussions. These are very happy meetings, at least I enjoy them, but there is lively discussion. A fellow like Fraser Kelly, I don't want to embarrass him but he is not the kind of fellow who comes into an editorial meeting with his cap in hand. Neither is Agnew. These are pros and they are the best in the country. So there is lively discussion, and sometimes there is considerable argument; but if there is a difference of opinion finally which cannot be resolved, then the decision of the editorial position is mine.

Mr. Fortier: This responsibility which you assume also extends to the editorials in the weekly newspapers?

Mr. Bassett: Well; it would—I am ashamed to say I really don't know much about the weekly newspapers. You know my son has just built a new building and bought a new press out in Cooksville. I have not seen the plant yet, but what I say is this. On what I consider a great issue, a general election, I would, through my son, send a directive that on balance we are going to support—let's say the Liberals next time, or the Conservatives which would certainly be more likely—traditionally. Although I do not know that I want to lose another ten thousand readers. In any event to make the point, certainly, if there

was a war, and we had a view Canada should be part of that war, on great issues of this kind of national importance, which we regard as such, the editorial policy of the weekly papers would be the same as the *Telegram*. On local issues we don't—our publishers of these weekly papers all live in the communities where the papers are published, and as far as the election of a town council in Whitby—that is his responsibility.

Mr. Fortier: Supposing there was a great burning issue, which might be the next federal election and you had so decided to support the Conservative party nationally, which decision might come naturally . . .

Mr. Bassett: Might come more easily.

Mr. Fortier: And you instructed your editors to so editorialize and your publisher in Oakville said "no" what would you do?

Mr. Bassett: I would suggest that he had better find some place where he would be happier in his work, no question. What is the use of him having to write editorials with which he disagrees?

Mr. Fortier: Well, I certainly agree with you.

Mr. Bassett: This is his choice.

Mr. Fortier: Would the answer you have just given, and this responsibility which you assume, would that also extend to the reporting which is done on CFTO-TV?

Mr. Bassett: No, it doesn't because of course we don't have any editorial position on CFTO-TV. We don't have an editorial position so it doesn't apply. It has been suggested to me from time to time. In fact I had a discussion about it one time with Harry Boyle, who was a newspaper man before he was Vice-Chairman of the CRTC. He used to write to the *Telegram* and he said why don't you have an editorial position on CFTO. The reason we don't is a very simple one. There is no technique that I know of on television by which the public can participate. There is no letters to the editor column. There is no technique, you can't have 50 people every day coming allocating—I just don't know how to work it out. Therefore we have no editorial position. We don't take an editorial position. There is another reason too. A television station, CFTO, like all of the others operate under a license from a Government agent. Therefore my view would be that there might be many people that whatever editorial stand you took,

the editorial stand might be suspect because you are operating under a Government license.

Mr. Fortier: You explain very clearly why you were forced, as I think you more or less indicated, to go into the weekly newspaper field. Could you similarly tell us how you came to invest in cable television?

Mr. Bassett: Yes, I invested in cable television—you know I am not in it anymore?

Mr. Fortier: Well, I know that you had to get out.

Mr. Bassett: I'll show you the scars.

Mr. Fortier: But I would like to know what your thinking is?

Mr. Bassett: I went into the cable television because—mostly because of an intimate friend of mine called Ted Rogers who was a minority shareholder of CFTO, a member of the board, and a great advocate of cable. I was not particularly interested in cable at all . . .

Mr. Fortier: He is a convincing man.

Mr. Bassett: Yes, and a good friend we have been associated for quite a long time; he wanted to go into cable and he wanted a partner to bring some financial strength to help. It is an expensive business to get started, and one thing and another, and so we agreed to be partners, and we then went in the business in that way. At that time the picture for cable looked somewhat different. It didn't look very interesting to me. I regarded it as simply a gadget to bring programs into people's homes; and I am more interested in the side of the operation which creates the programs.

Mr. Fortier: No other motive?

Mr. Bassett: Well, he persuaded me. He felt over a period of years we might make something. This was a motive.

Mr. Fortier: I wonder to what extent the impending technological changes which may affect substantially the publishing of daily newspapers could have influenced you?

Mr. Bassett: Not at all. I am unfortunately—you know that area of a human person's mind which can comprehend as it applies to broadcasting, I sit and listen to broadcasts as they talk about satellites but I have not figured out yet how the telephone works. I

really haven't. So this is an area where we have a couple of fellows devoting all their time, or 90% of their time to the research side. One is an engineer and the other a former managing editor, Andy McFarlane. These two fellows are almost totally involved in research to try and tell what is going to happen in the future.

Mr. Fortier: Is there anyone here today who can help us out?

Mr. Bassett: What will happen? no, no.

Mr. Fortier: Not as much what will happen but how you feel your newspaper and others in North America will be affected?

Mr. Bassett: Well, I don't think so. We would have brought Bob Granger with us perhaps, but I don't think there is. In fact I'm darned sure there is not.

Mr. Fortier: I see there is a volunteer?

Mr. D. Bassett: Well, volunteering to this extent. The technology of newspapers is very low in developing for various reasons—the rigidity of the unions and so on—but it is catching up with us very quickly and we don't know whether in eight or nine years we may be able to push a button and have a newspaper on the wall, or some facsimile. We just don't know.

The Chairman: Would it be fair to request at some point in the New Year one of our stiff people could have a chat with Mr. Granger?

Mr. Bassett: Sure. But this was not a factor at the time.

Mr. Fortier: You had non-media interests Mr. Bassett through...

Mr. Bassett: Sports.

Mr. Fortier: Do your readers know, Mr. Bassett that you have, your readers of the *Telegram* know that you have?

Mr. Bassett: Oh, I think so.

The Chairman: I think I can answer that by do.

Mr. Bassett: Right.

Mr. Fortier: I speak as a Montrealer.

Mr. Bassett: Well, in every life some rain must fall. Yes, I think they do. You see my father said years ago—and very wise he was—he said that a newspaper publisher

shouldn't do anything else. He should not sit on company boards; he should not do anything but operate his newspaper; if offered he should not be a director of commercial companies and so on. He also followed that rule, and I have always followed that rule—with two exceptions, Maple Leaf Gardens and Toronto Argonauts. Well, I am a fanatic about sports, and of course having broken this rule which I think is a good rule generally—of course I did it in probably two of the most controversial areas, publicized areas of operation in Toronto, and there is no question that I think most of my readers who have any interest in sports know that connection.

Mr. Fortier: If any story is going to be published by your sports editor which may adversely affect either the Maple Leaf Gardens or the Argonauts Football Club, what would you as publisher, in the light of what you have told us, what would you say?

Mr. Bassett: Not a thing.

Mr. Fortier: You wouldn't?

Mr. Bassett: Not a thing. I don't see those stories until they are in the paper. As a matter of fact I have had violent disagreements particularly in the area of football, and particularly this season. I thought, not for the record if I may, I thought we had a very poor quarterback in Mr. Wilkinson, and Scott Young and others all thought he was great and we used to have stand-up arguments in the news room. If it affected their writing at all, it only affected it to the extent they praised him even more. I do not influence in any way the covering of those things.

Mr. Fortier: Your father's views on conglomerates with media interests which you have relaxed only to the extent of these sports enterprises, are we to understand that you agree with them today, and they should be applied in Canada?

Mr. Bassett: Well, I don't know that I am qualified to make that statement. I can only speak for myself. I always come back in thinking that it seems to me the key word is responsibility.

Some years ago I was offered a directorship in a chartered bank by the president of that bank who was a friend of mine. I was flattered but I said to him "I really do not think you want me on your Board because what is going to happen if the chartered banks of Canada, or the Bankers' Association or maybe even your bank decides a course of action at

your annual meeting and you make a statement on fiscal policy with which the *Telegram* violently disagrees. If we write an editorial criticizing you, your directors are going to say "What the hell is this fellow, this snake in the grass, this traitor doing on our Board of Directors"; and of course, he was delighted when I said I would not be on his Board.

Now, I do not know that I would say that if the *Telegram* went out and controlled an apartment block. Then you own it and you are responsible for it. The tenants know where the responsibility lies. It is quite a different thing to being simply a member of a board of directors. I relate ownership, as I say in my brief, in another area. I do not really believe there is many more potent factors towards real responsibility than the factor of ownership.

Senator McElman: May I ask a supplementary question?

The Chairman: Yes.

Senator McElman: Well, Mr. Bassett, you say your banker friend had not thought of it in that way, would it be possible that he had thought of it in another way? That if you were on his Board he might...

Mr. Bassett: Oh, I would not think so, Senator.

Senator McElman: He knew better?

Mr. Bassett: I am sure I know him better. No, no.

The Chairman: I do not think, Mr. Bassett that you dealt really directly with Mr. Fortier's question. You prefaced your remarks by saying that you could only speak as an individual. You know I take that point up to a point, but you know you are also, with respect, a pretty senior person in the newspaper business in Canada, and therefore I think he might put that question to you again because we would be genuinely interested in your opinion?

Mr. Fortier: Your views on conglomerates with interest in the media as well as in other fields?

Mr. Bassett: Well, I am opposed to it. I think that a man in the communications business, I would say that in principle and I would apply it to myself, I do not think it is the most desirable thing in the world that the publisher of the *Telegram* is also chairman of

the Maple Leaf Gardens, and the Toronto Argonauts. I don't think it is the ideal situation.

Mr. Fortier: How do you protect yourself from the possibility of undue influence being brought to bear by the T. Eaton Company?

Mr. Bassett: It is simply not a question. When Mr. Eaton lent me the money to buy the *Telegram* we never ever, ever had a contract. The purchase of the *Telegram* was, of course, totally unsuspected because of the very sudden death of McCullagh. I have been a great friend of John David Eaton's who was also a great friend of Mr. McCullagh's. We were social friends and thought a great deal of each other, and it never occurred to us that Mr. McCullagh was going to die at the age of 47. When he did I went to Mr. Eaton and said—"you have a simple choice, I do not want to go back to Sherbrooke, and I don't know what is going to happen to the *Telegram*. I would be very happy if you would lend me the money to buy it, or otherwise I would be pleased to become vice-president of the T. Eaton Company". He said "Oh, my God", so we bought the *Telegram*. We had no contract, we never did, we never ever had and it was not until later that the suggestion came forward that I was to participate in ownership. The only agreement we had which has never been breached, and in fact never spoken of again, was that I would be publisher and have total and complete editorial control of the newspaper.

Mr. Fortier: And that has happened?

Mr. Bassett: Of course.

Mr. Fortier: You referred to getting out of Sherbrooke, leaving; in effect I think you said giving the paper to the employees?

Mr. Bassett: I did.

Mr. Fortier: Is it possible that another reason is the varied essence of your brief, to wit that you were an absentee owner as far as the *Sherbrooke Record* is concerned?

Mr. Bassett: My father bought the *Sherbrooke Record* many years ago in 1936 and then at the end of the war I came home from overseas. I was entitled and could have gone back to the *Globe and Mail* as a reporter, the job I had left but I did not want to do that. Mr. McCullagh felt that the years had gone on, and this was not good. I had been nominated to run for Parliament for Sherbrooke while overseas, and came back and contested

that election—so I bought the paper from my father. I did not want to work for my father on the *Gazette*, so he said I will sell you the *Sherbrooke Record*.

At that time the price was set, indeed by the Department of National Revenue from father to son; so I had to borrow some money and bought it. I stayed there for three years until Mr. McCullagh bought the *Telegram*. He invited me to come back, and I came within five days. I kept the paper because I thought of this boy, Douglas who is very fond of the Eastern Townships, which as you know is a lovely, lovely part of Canada. He had an idea that he might like to go and operate that newspaper. However when he decided his future lay in Toronto, I gave it to Mr. Saunders and another man who had been there operating for me for a long time.

Mr. Fortier: In Paragraph 69 of your brief on state labour costs at the *Telegram* represent 44% of the cost of operation. I know that the American Newspaper Guild is in at the *Telegram*. To what extent are these costs represented by this figure of 44%? To what extent are they the result of, I think they can be referred to as union rigidities or excesses, any?

Mr. Bassett: I think as far as the *Telegram* concerned with the American Guild there are no excesses. I have found over the years that I bargain these contracts personally, and have for many, many years—20 years. I regard my relationship with the American Newspaper Guild as excellent. I can give you an example of which I am very proud. We had a very unfortunate strike of the I.T.U. in Toronto. A strike brought about by the international headquarters in the United States, in Colorado Springs, on three different occasions. The three Toronto newspapers had reached agreement with the I.T.U. and on three different occasions the international headquarters would not approve the agreement reached at the Toronto level. So they stuck us. Of the three Toronto papers only the Guild at the *Telegram* had in their contract the provision that they did not have to cross the picket line. This contract was not in the contract of the *Star* or *Globe*, it was in the *Telegram*. The Guild crossed the picket line. I think over the whole strike period there were only 14 members out of 350 odd members of the Guild at the *Telegram* that did not cross the picket line. One was a great friend of mine, Bob Buchanan, who had been a Guild agent. He just felt he could not, and

he quit. He left without any fuss as a matter of principle. He had come to work on the *Telegram* after having represented the Guild. The rest were young kids, what we call hoppers on the trucks—so my relationships with the American Newspaper Guild are excellent.

We have good tough bargaining sessions, no question about that, but I think they recognize the publishers' position as it is. As I said earlier in my testimony—and I feel quite sure that the deliberations here, Mr. Chairman, will bring this out—that the great majority, on the news and editorial side, and also on the advertising sales side, of the people in the newspaper business are there primarily—primarily because they love the profession. They would earn more money elsewhere in my view.

Mr. Fortier: I ask you the same question in relation to craft unions at the *Telegram*?

Mr. Bassett: I think that the craft unions are very well paid, there is no question about that, but I do not think the union demands in Toronto are excessive. I must say that I have found it a very healthy exercise over the years to negotiate these contracts myself. I don't do it as anxiously with the craft unions now, but I did them all, and I still do all the Guild ones; and for many years I did all of them.

Mr. Fortier: How do your lawyer friends react to that?

Mr. Bassett: They are not there you know. They are not there, and I find this a very healthy exercise. I think it builds a situation within the newspaper. I am a very accessible fellow, and I like them to be accessible to me. I think it is a helluva a good place to work.

Mr. Fortier: What good, in fact, has the Toronto Guild brought to the quality of the newspapers in recent years?

Mr. Bassett: Oh, I think they have contributed a great deal to raising the standards of living conditions in journalism. I like to regard myself as an enlightened publisher and as a responsible warm-hearted person, a warm-hearted human being—you would not expect me to say otherwise—but on the other hand I am perfectly positive that if there was no newspaper Guild in Toronto, the level of salaries would be substantially lower than they are now. I think that by their negotiations—I am talking only about Toronto you understand, that is all I know—I think that

the Newspaper Guild has made a substantial contribution to the improvement of working conditions for the press.

Mr. Fortier: Has this in turn improved the quality of the newspaper?

Mr. Bassett: I think so—I do think that many people in the profession could earn more money elsewhere, but they stay because of their love of journalism; but after all you cannot expect people to work under dreadful conditions that are not comparative in any way. I think that through good bargaining, and through the strength of collective bargaining they brought dignity to the profession. I think it is a very bad thing for a fellow to have to go cap in hand and ask a man for a raise. I think it is undignified, and I am totally opposed to it. It is entirely different when you send in your Committee in legitimate collective bargaining flexing your strength and muscle. I think the Guild has done a great thing.

The Chairman: You referred to the I.T.U. strike in the past tense, was that on purpose, Mr. Bassett? The strike is still on, is it not?

Mr. Bassett: No, I always think of it . . .

The Chairman: The strike is still on, is it not?

Mr. Bassett: Yes, I guess so but the strike was lost after the first three days. I mean let us not kid ourselves. When you go on strike, if you cannot close down the factory, the strike is lost.

The Chairman: Is the *Telegram* picketed presently?

Mr. Bassett: Yes. Irregularly.

Mr. Fortier: Thank you, Mr. Chairman. Mr. Bassett, do you support the suggestion of a local regional, or national press council?

Mr. Bassett: I certainly do not.

Mr. Fortier: Could you tell us why?

Mr. Bassett: Two reasons—I assume, perhaps wrongly, I assume that you are talking of a voluntary press council?

Mr. Fortier: Yes, indeed. Court of Honour as they are called?

Mr. Bassett: Yes, two reasons, two basic reasons. First of all I think it is totally ineffective. I think the press council in England is totally ineffective. The latest example of its

ineffectiveness is the issue with the *News of the World* in the Christine Keeler Memoirs. But the more important reason is that I do not believe that a newspaper publisher should be able to diffuse his responsibility. I do not believe, for instance, that the readers should call me up and say "Gee, that is a rotten story you had in your paper", and I can say "well, it passed the press council, if you do not like it take it up with them".

Mr. Fortier: It is passing the buck?

Mr. Bassett: Certainly. I think this is no sense. And also with particular reference to Toronto which is my chief concern, I certainly would have no intention in the world to pass the editorial policies and the meeting of our responsibilities up to the judgment of Mr. Cooper and Mr. Honderich.

Mr. Fortier: How do you handle dissent in your newspaper—in your letters to the editorial column?

Mr. Bassett: Well, I mostly handle it through my columnists; but as you know again I am a great believer in basic responsibility. Newspapers, particularly in a metropolitan newspaper in Canada, cannot simply get by any more in my view reporting the news. You have got to go behind the news; you have got to offer comments; you have got to offer above all, in my opinion a great diversity of expression.

Now, the *Telegram* has more columnists than any newspaper in Canada, far more. And in the area of politics we have got on one side Douglas Fisher writing regularly; we have Lubor Zinc writing regularly; we have Senator John Nichol writing regularly not so frequently, but regularly everyweek. We have the former President of the Liberal Party; we have Dalton Camp, the former President of the Conservative Party. Then in other fields we have people like Ron Haggart in civic affairs, who in the last civic election supported a different slate for instance than the paper supported editorially.

The Chairman: A much better slate?

Mr. Bassett: Well, we won. So I think we have all kinds of dissent. Our columnists have complete freedom of expression. I do not reserve the right to kill a column. This is very difficult for me to do, because in practical application I never see them. Occasionally I do; we had an example the other day

We have a columnist called Dennis Braithwaite. My son John who is not here today, is very interested in our broadcast activities, and interested in the production of things. We are the Toronto producers of a musical called "Hair". The people that own this, franchise it out like Kentucky fried chicken; they came to Toronto and they went to the Royal Alex, to Mr. Ed Marvish and they wanted local people to put up the money for local production. He recommended my son, and we are doing so. Well, Dennis Braithwaite wrote a column the other day just tearing the hide off the producers of "Hair". He said it was ridiculous to charge \$10.00. It was a very rough column. And so I get lots of dissent on all sorts of things within our own columns.

Mr. Fortier: This is where your readers expect to find dissent from the publishers' expressed views?

Mr. Bassett: That is right. Of course, like all newspapers, we think it is lively; but we certainly get a tremendous volume of letters to editors.

Mr. Fortier: Do you publish them?

Mr. Bassett: We wouldn't publish 20 letters on one subject; we might publish six, then we would put at the bottom—"Expressing about his same point of view we had letter from the following"—and we would put their names.

Mr. Fortier: I see. But there is no letter to the editor, after it has been discovered that it did not originate from a crack-pot, that does not get published?

Mr. Bassett: No, I think not.

Mr. Agnew: We just don't have space for them all; we have to make adjustments, and part from the crack-pots and the ones that don't say anything, we just have to make a judgment, and the same applies to the news. We have not got room for all of it.

Mr. Bassett: We also do a thing for our readers which we think has been absolutely great, and that is Action Line. It started with the reporter Frank Dray and a girl to help him and, now the Action Line staff has grown to something like ten people—eight people; the phone is going all the time. This is an area where people feel they can go for help, and it is a daily, and they certainly use it frequently.

Mr. Fortier: You referred to the "killing of columns", have you killed many columns in recent years?

Mr. Bassett: I saw Douglas Fisher said I killed one.

The Chairman: One only, he said.

Mr. Bassett: Yes, I can't remember the column I killed.

Mr. Chairman: It was a column about Mr. Pickersgill I think, was it not?

Mr. Bassett: He said it was, but I can't remember it.

Mr. Agnew: We have to decide whether it might cause a libel action too.

Mr. Fortier: But there is someone who reads every column on your editorial staff?

Mr. Agnew: Yes, every column is read by myself, or the Managing Editor, or the City Editor. But we do take out libel, and we do take out errors and mistakes. We always phone and tell him what we have done.

Mr. Fortier: The Quebec English Journalists who appeared before this Committee on Wednesday night mentioned the desirability of a Code of Ethics for newspapers in Canada. My first question is—does the *Telegram* have such a Code?

Mr. Bassett: Yes.

Mr. Fortier: And it is a written Code, is it?

Mr. Bassett: No.

Mr. Fortier: Would you tell us of what it consists?

Mr. Bassett: Yes, it consists of what I would regard, and my very senior editors would regard as "good taste" primarily, and that is about all. I killed an article for instance in *Weekend Magazine*. I had to keep a crew of people up all night to...

The Chairman: I was going to ask you about that?

Mr. Bassett: Well, I don't want to discuss it on the record.

The Chairman: Well then, I am not going to insist that you do discuss it on the record. It might be interesting if we had your views, could we...

Mr. Bassett: Well, it was an article on homosexuality.

The Chairman: What you are saying now will be on the record.

Mr. Bassett: Well, I will simply say that to suggest, as some of my readers did, that the *Telegram* was so old-fashioned that it would not carry an article on homosexuality—we have carried hundreds of articles of homosexuality, so that is absolute nonsense but this particular article was presented in such a way that in my view it offended good taste, and therefore I killed it.

The Chairman: Perhaps we can talk about it in private because you are on the record.

Mr. Fortier: Good taste, is the taste of the public?

Mr. Bassett: And the senior editors.

Mr. Fortier: As it relates at any given time to the tastes of the community?

Mr. Bassett: No, as it relates to my good taste, I presume. I presume, that again, I take the responsibility for that.

Mr. Fortier: Is there a need in the City of Toronto for an underground newspaper?

Mr. Bassett: Well, I guess there must be, there is one from time to time called "Harbinger".

The Chairman: There are several really.

Mr. Bassett: If there is, then people must be reading it—then there must be a need for it.

Mr. Fortier: Could it be that three dailies in Toronto do not fulfil this need?

Mr. Bassett: Must be.

Mr. Fortier: If so, could it be because what usually gets into those newspapers is "bad taste"?

Mr. Bassett: I couldn't judge that, I don't read them but I understand—the *Telegram* is not pushing "pot" for instance. We are not going to write articles which say it is great to smoke pot, and we are not going to carry advertisements which tell people where they can go and buy it, which is a great part of the...

Senator Prowse: We are out of "sniffing glue".

Mr. Bassett: That is right. If we are old fashioned because we are opposed to this—then I'm sorry, we are old fashioned.

Mr. Fortier: Do you think that a Government of today, be it at local, provincial, or federal level should interfere with the freedom of an individual to publish a newspaper which amongst other things might be pushing pot?

Mr. Bassett: No, I don't. I think as long as they are not breaking the laws of libel, or not breaking the Criminal Code, let them publish. Suppression to me, answers absolutely nothing. If people have ideas that need to be discussed, need to be written about—let me tell you why we are not pushing pot, or telling people where they can get it, or advocating it: we have articles all the time on the drug scene.

Mr. Fortier: You are involved in that area?

Mr. Bassett: Certainly. You see this is one of the big issues of our time.

Mr. Fortier: You are trying to inform your readers?

Mr. Bassett: That is right, we quote from people who do. My wife is here today, she used to be a reporter for a time on the *Telegram*; and she and a young man lived within that atmosphere a few years ago in the early days of Yorkville. For a period of a week they were young looking people and they did a series of articles on the whole drug scene, and we regard this as our function. We do have a reporter covering the drug scene, and this is a full time objective. A full time operation.

Mr. Fortier: Do you also have a reporter whose duty it is to keep in touch with the thinking at the University level?

Mr. Agnew: Yes, a young girl called Susan Swan, that is all she does.

Mr. Fortier: I was interested to find out during our research sessions that the *Telegram* is involved with the *Toronto Star* in some co-operative endeavours in Toronto in the coverage of some rather routine material such as City Hall and the police beats. This has been abandoned, I believe?

Mr. D. Bassett: The only co-operation that did exist, and this was some years ago was in the joint setting up of the Court bureau, there was some joint Court facilities.

Mr. Fortier: Why was this abandoned by you know?

Mr. D. Bassett: Well, it certainly did not extend to the City Hall, the competition could not be keener, and there would be no suggestion on our part at all...

Mr. Fortier: It did not some years ago?

Mr. D. Bassett: Not that I am aware of.

Mr. Bassett: Borden Spears...

Mr. D. Bassett: It used to be that the Court Bureau was at City Hall.

Mr. Fortier: It did not extend to the City Hall politics?

Mr. D. Bassett: Certainly not.

Mr. Bassett: I never knew it really existed. Borden Spears could tell you more about that than I could. Over a long period of years there have been various tentative conversations between the publisher of the *Star*, and the publisher of the *Telegram*. We discussed for instance a couple of times the possibility of joint delivery, you see. But to be perfectly frank with you I should think that the publisher of the *Star* and the publisher of the *Telegram* would find it almost congenitally impossible in the competitive field in Toronto, in the area of the competitive evening field in Toronto. If we had a joint delivery system with the *Star*, and the *Telegrams* were late on Tuesday, and it happened to be a *Star* fellow who was in charge of the delivery system that week, or that day, I would be sure to say—that fellow is sticking it to me. I am sure if it went the other way Honderich would feel exactly the same way. You have to live in Toronto in the newspaper atmosphere to appreciate the degree of competition that exists. I think that is true, isn't that true, Gordon?

Mr. Ashworth: No question.

The Chairman: Just on that question, you see the *Telegram* truck and the *Star* truck coming up Yonge Street in the morning putting the papers out. Does it matter who gets here first?

Mr. Bassett: Yes, sir.

The Chairman: In terms of sales?

Mr. Bassett: Sure does.

The Chairman: About how much would it matter?

Mr. Bassett: Well, the *Star* has 140,000 more papers to sell every day than I do, so it matters that much to me.

The Chairman: Well, you know specifically?

Mr. Bassett: It matters this much, Senator. The great portion of the City sales are the first edition of both evening papers—corner sale, street sale. If somebody hurries out at lunch at noon, and the *Stars* are late, and the *Telegram* is there, the fellow is going to lunch, he is not going to wait five minutes of an hour lunch hour to wait for the star Truck to come along; he'll grab a *Telegram*. Now, the specific figures, I do not know.

The Chairman: It is considerable? It is important to you?

Mr. Bassett: It is this important. When we moved from Melinda Street, the outside limits of the land that we were looking for, we told the real estate people we had to move and we limited the area—Spadina in the west, Sherburne in the east, Dundas in the north. Now, actually we went just beyond Spadina as you know. The reason for that was that we had to compete under down-town Toronto traffic conditions. It would have been much less expensive to go away the hell out some place, and buy some land much cheaper and build a plant; but we never could have got down town with our papers. It is that important.

Mr. Fortier: What, Mr. Bassett, what basic research resources in investigatory facilities—if you know what I mean—we do not have simultaneous translation today—and up-dating assistance does the *Telegram* provide generally for its staff?

Mr. Bassett: I don't—I am sorry to make you say it all over again, but...

Mr. Fortier: What basic research resources do you provide for your staff?

Mr. Bassett: Well, we have a very full library, a morgue we call it.

Mr. Fortier: Yes, that sort of thing.

Mr. Bassett: We have a library, a very complete library and morgue; and then the staff—that's about it, if they have to go to research—that is about it.

Mr. Perigoe: Well, if the research facilities are not there, they go to another library, or go and talk to somebody or phone on a specific project, or if it is a big project such as "The Canada Seventy" project we go and hire some researchers. Fraser can give you the details but we have hundreds of people work-

ing in our research organization. Getting material for us. It depends on the project.

Mr. Kelly: I think in that case, it was not a matter of not having people, but I think it was a matter of hiring a team of sociologists to do some work in the Province of Quebec.

Mr. Bassett: Did you see that series?

Mr. Fortier: Yes, I did.

Mr. Bassett: Well, this is published by MacLean Stewart, I think this is a terrific undertaking.

Mr. Fortier: Well, on that point, do you feel that you as a publisher have a responsibility to promote national unity?

Mr. Bassett: I certainly do.

Mr. Fortier: Is this with that thought in mind?

Mr. Bassett: Yes. You see I believe we have a responsibility to promote national unity, but I think this we do on our editorial page—it is I guess like we are for motherhood. I mean we are for national unity but where I regard that responsibility to lie is to provide information for our readers so they can then hopefully make up their own mind.

Mr. Fortier: I have often heard it said in Quebec that Toronto papers, *the Telegram* included, stressed the negative side of the Quebec scene rather than the positive side. Would you comment?

Mr. Bassett: Yes, I think it is wrong.

Mr. Fortier: Think it is wrong. Wrong in the case of your newspaper?

Mr. Bassett: Yes, I think it is wrong in the case of all three Toronto papers. As you know I was brought up in the Province of Quebec, and have many friends there. It upsets people from Quebec quite naturally if a bomb goes off in Montreal, or if there is an unofficial police strike or something; To suggest that Toronto, or any other newspaper—we don't make the news, we print it; and it doesn't do a darned bit of good, in fact I think it does a great deal of harm, simply to lift up the corner of the carpet and shove it under, or not publish it. That does not mean the event didn't happen. Now, on the other hand we must publish, and we make available the columns of our paper to people like Claude Ryan to write—we seek out these kind of articles from people that know more about

the subject, we think perhaps than we know ourselves, because they are there daily on the scene. When Mr. Bertrand comes we interview him fully, using both television and the newspaper so that he has pictures of all three Toronto dailies. Bertrand, for instance, would get tremendous coverage on a visit to Toronto—Toronto more than any place.

Mr. Fortier: I certainly cannot disagree with you—it certainly must not be swept under the carpet; but it has been said no news is good news—good news is no news for a newspaper—is that so really?

Mr. Bassett: This of course, in my view is a widely held misconception that people have. There is no question that newspapers stress dramatic events; but particularly in this country, and in the issue of national unity, I think that when there is no news, as you say or good news..

Mr. Fortier: Good news.

Mr. Bassett: Good news has now become in this context in my view, and is reflected in the coverage of the *Toronto Telegram*, has become big news. It is good news when Mr. Bertrand came, for instance, to Toronto as he did the other day and says he is for a unified Canada, that certainly he wants changes in the Constitution. He wants a greater recognition of what he believes to be the special problems of Quebec; but he says and he uses the phrase "I don't want to have a divorce, and then try to get some kind of new remarriage, I want to make this marriage with the rest of Canada work". His speeches and interviews were on the front page of every Toronto daily paper. And that is good news.

Mr. Fortier: I wonder if we could hear from Mr. Kelly on that?

The Chairman: Well, Mr. Fortier, I would like to hear from Mr. Kelly, and then with you—you know the time is getting short, and if you would answer that, Fraser and the others perhaps we will go on with some of the other Senators—we'll certainly come back to you.

Mr. Fortier: Yes, thank you, Mr. Chairman.

Mr. Kelly: Mr. Fortier, on Quebec coverage Quebec is one of my responsibilities. For example in "Canada 70" material, we had five men working in Quebec for a full two months before they wrote a word—now, that is unprecedented as far as I am concerned in daily journalism. We also worked closely with the staff of *Le Devoir*. Mr. Ryan co-operated

with us because we have not enough French speaking reporters. We have gone out and hired a couple, and have one in Ottawa, the other in Quebec City. Now, in that case, for example, we were able to interview personally, I think the figure was 98 of the members of the Quebec Assembly. We talked to every single mayor of every single community, over 20,000 in the Province of Quebec.

This is not sensational national reporting. Some of the results may appear to people in Quebec, whether they be English Canadians or French-speaking Canadians, as unfortunate or sensational but they were not published without immense research.

Mr. Bassett: I would just point out, to amplify if I may, we deliberately some time ago—deliberately went into the Province of Quebec and hired a French Canadian, Claude Henault to become part of our Ottawa Bureau, because we felt it was important for Ontario readers of the Toronto Telegram, and Toronto readers to have in their newspaper regularly, reporting from the capital of the country by a French Canadian. Having been brought up myself in the Province of Quebec, there are subtle differences. There is a different reaction from—even on the part of a professional reporter.

Mr. Fortier: Vive la différence!

Mr. Bassett: Exactement. C'est pour ça que nous avons engagé Monsieur Henault ici, pour Ottawa tous les deux jours, pour l'expression canadienne-française.

The Chairman: Perhaps this is the time to turn to Senator Bourque, I believe you had a question.

Senator Bourque: Thank you, Mr. Chairman. My question was in regard to Paragraph No. 97. Mr. Bassett, you have said "I have twice tried to publish a Sunday paper where no Sunday paper did exist. The cost of production was such that I could not afford the length of time necessary to establish the publication." Now, I was just wondering if that was a thing that was particular to the Anglo Saxon people, or French Canadian people because you see, we used to have the *Standard* in Montreal. Now, they have been incorporated with the Saturday *Star*. There is a gentleman in Montreal Mr. Francoeur as you now, who did pretty well with the *Dimanche-Matin*, I think he sells somewhere near 350,000 weekly papers, and this paper comes out only on Sunday morning, and he

gets the news. Now, he has a tremendous sale. Now, of course as you know, he has taken over, along with others the *Petit-Journal*, *Photo-Journal*, *La Patrie* and many of these, and they all seem to be very prosperous, every one of them. So we have now in Montreal only one Sunday paper. What I mean is not a weekly paper—we have no other weekly anyway—but one paper that comes out on Sunday and that is the *Sunday Express*. I do not know just how long it is going to last. It has been going for about six months, but that is the only English paper that we have.

Now, when you said that you could not make Sunday papers pay, is it due to the difference in nationality? Would the French Canadian be more apt to read the week-end papers than the daily papers—there must be some difference, because we have not only these papers, we have about 30 papers that are published—you know weekly papers in Montreal; and if Toronto has not got many, there must be a difference in the thinking of the people.

The Chairman: Do you care to comment?

Mr. Bassett: Yes. Well, I don't know if I am too qualified. All I can say is that I think it is a question of habit. I am not sure that in the first instance of the Sunday paper which I made—what might be called total immersion, that if I had persisted, if I had been able to sustain the losses which were quite staggering, maybe over a long period of time, a long period of years it might have succeeded; but the losses were staggering, and then we went into it after very careful analysis—I mean we compared markets like Cleveland, Baltimore which we regarded as comparable to the Toronto market—but I was wrong. What happened, of course, on the Toronto market, is that the big Sunday papers in the United States have simply been pushed back a day. Both the *Star* and the *Telegram* sell substantially more papers on Saturday which includes a magazine supplement, coloured comics, and special features and so on, than they do Monday to Friday, and many people I know, don't get through the Saturday week-end *Telegram* on Saturday, it takes them two days. They read it at their leisure because there is so much more material. Therefore I guess the need of a Sunday paper does not exist. The huge week-end supplements in the United States are published on Sunday.

Then, of course, the other factor is that by and large, Mr. Cooper of the *Globe*, or Mr.

Peters of the *Gazette* may not agree, but the fact is that generally speaking, unlike England and also unlike the United States in some respects, Canada is an evening paper country. You know the great circulation papers in England were all morning papers; here they are all evening papers; by and large this is an evening paper country. Therefore a Sunday morning paper—I think this perhaps is a factor, sir; but I don't know, I personally would not agree with your analogy. I don't think French Canadians are that much different to English Canadians.

Senator Bourque: I was asking because it seemed strange. In Montreal we have so many Sunday papers.

Mr. Bassett: They are not really Sunday papers in the real sense of newspapers. I mean the *Petit-Journal*, it is more of a weekend package of features, it is not news oriented.

Senator Bourque: That is right.

Mr. Bassett: This is the difference, it is more of a magazine type.

Senator Bourque: That is right but *Dimanche-Matin* is strictly a paper with news.

Mr. Bassett: That is right, and not that successful, is it?

Senator Bourque: *Dimanche-Matin*? Well, it was the foundation of Mr. Francoeur, that is what he started out with.

Mr. Bassett: Well, send him up to Toronto and let him take a crack at my market, I would like to see how it would go.

Senator Bourque: Thank you.

The Chairman: I said Mr. Bassett we would adjourn at 12:30 but this is so interesting. We can only stay until quarter-to-one because we have to attend Royal Assent but would you agree to sitting until then?

Mr. Bassett: Oh, sure.

The Chairman: Thank you. I will turn to Senator Prowse and then Senator McElman.

Senator Prowse: Mr. Bassett, where do you recruit your editorial staff? I do not mean just the editorial writers?

Mr. Bassett: You mean the reporters?

Senator Prowse: Yes?

Mr. Bassett: I am a great believer, Senator, in trying to get people who have done a stint on smaller dailies throughout the Province. First of all that is the kind of training I had, and I suppose you reflect the thing that was good for you will be good for somebody else. The fact is, generally speaking on papers like the *Toronto Telegram* we do not have the time to train a young reporter. It would be very rare for us to take a man or a woman who had no previous experience, and it is not good for that reporter. You get somebody in who has virtually had no experience, and let us say he got the police beat. Well, he might stay on the police beat for five years before he got a chance to get out. We publish four editions a day under a highly competitive situation, and we do not have the time to take a young man or woman by the hand and say "Now, do a stint on sports"; do a stint here, and so on. Whereas as you know yourself on a paper like the *Sherbrooke Record*, the *Galt* paper, the *Belleville* paper or the *Guelph* paper, you go in there as a young reporter out of university and spend three or four years—you are liable to cover a woman's tea one day, a hockey game the next, to the Town Council Meeting the next day. You get a good solid broad training and these are the kind of people we are looking for.

Senator Prowse: Do you consider the on-the-job training of that type is more valuable than the school of journalism, per se?

Mr. Bassett: I do.

Senator Prowse: Now, there are a lot of problems in the newspaper business in Canada that we have to address ourselves to—that obviously do not apply to the Toronto area because of the three newspapers you have there. But is there anything that can be done to do two things—one is to provide suitable staff for all of the one newspaper cities in Canada, or some facilities that will give them some training to up-grade that; and secondly, can you suggest how the problem of dissent can be handled in a one-newspaper town as opposed to all of the facilities for dissent that are available in the City of Toronto?

Mr. Bassett: Well, again with my background being so long in publishing, I do not believe that the problem of dissent, serious dissent—you always have problems in communication. For instance, in the last election there were four candidates for mayor. Most everybody thought there were three—so you have a continual problem in Toronto or any

place else. The fourth candidate was an attractive young fellow who was running on a Trotsky ticket. Well now, what is the responsibility of a newspaper, or more important even perhaps, because as I say you are under a Government license, and when you are doing a Public Affairs television show to generate interest in a municipal election, what coverage does Mr. Riddell get for instance? Is he entitled to the same coverage as Clarkson, or Margaret Campbell, or Bill Dennison? Is he entitled to the same time?

In other words, just because somebody is a candidate, does this immediately mean that every candidate has to be judged alike? I don't think so.

Senator Prowse: I am not thinking of just that situation. For example, let us take Toronto, you have three big daily newspapers that are covering the news, that are unconnected with each other, that everybody knows are competing. Now, even if the three of them came out with the identical slate, as a reader of the newspapers in Toronto, I come to the conclusion—well, there are three different people who have had a chance to examine these people carefully, and have all come to the same conclusion so this fellow must really have something on the ball.

Mr. Bassett: I should point out to you, I don't mean to interrupt, but that is exactly what happened in the municipal election before the last, and Bill Dennison, who was not on any slate, just beat the pants off the three dailies.

Senator Prowse: Well, that brings up another question, but the situation I am thinking of is that in the one-newspaper towns it seems to me that the reputation of the papers for credibility suffers very, very seriously. Not, I think, that they necessarily deserve to, but because they are the only voice, they are automatically suspect. In other words they cannot come out and run three candidates for mayor. If they come out and say that they are all good guys, then everybody says "What the hell is going on here?", and this I think is a very real problem to the press?

Mr. Bassett: Well, that exists.

Senator Prowse: Now, I do not think that legislation is going to cure this, but I think that one way we may serve on this Committee is to enable people with experience in these things, to make public statements that

will then be available to the people who are most concerned?

The Chairman: Well, would you put that as a question, please?

Senator Prowse: Yes. That is the question.

The Chairman: To comment on that?

Senator Prowse: Yes?

Mr. Bassett: Well, I think Senator Prowse if what you say, like a paper like the *Edmonton Journal* has a problem?

Senator Prowse: Yes?

Mr. Bassett: . . . has a problem of credibility, not that one in particular?

Senator Prowse: No, no, the same as all of them.

Mr. Bassett: Yes. Well, I don't live in Edmonton, I'd be surprised. You know Alberta, and if this is so, there is no question, they have a problem, but I think this is a problem that the publisher of the *Edmonton Journal* has to examine, and he has to—I have no answer.

Senator Prowse: They ran a page of dissent two or three times a week, and then finally they ran out of writers for it; it got to be the same fellows, and eventually the only people who wrote were the same people that write regularly letters to the editor, so that—this did not solve the problem.

Mr. Bassett: No, I take it that you are looking for something more than the letters to the editor forum.

Senator Prowse: Yes, even if it were a page set up for independent editorials and they were to hire persons to take responsibility for this. Now, these fellows would take responsibility for their own page. In other words almost setting up two editorial departments?

Mr. Bassett: Well, that is of course what happens in Toronto, and particularly in the evening field.

Senator Prowse: Well, you deal with all your different varieties . . .

Mr. Bassett: That is right.

Senator Prowse: But the ordinary small daily in the medium sized, or smaller communities cannot afford that?

Mr. Bassett: That is right. Well, they have a problem but then again I think what has to be examined is what is the function. Basically the function is the same, but in the working out, the function of the Woodstock paper, let us say is not precisely in detail the same function as the *Toronto Telegram*. I think that it is a different function. And that the *Woodstock Sentinel* in its community...

The Chairman: It is under review . . .

Senator Prowse: All right, whatever it is, all of your cities until you get away out from Sault Ste. Marie on—but almost as far as Sault Ste. Marie, Ontario, the people do have access to the Toronto dailies on a quick enough time basis. I imagine that I could get today's paper at least by tomorrow. Now, when you get out into Regina—Winnipeg has two papers—but when you get to Regina, Saskatoon, Edmonton—Calgary has the extent of two papers but it really does not have—Lethbridge, Medicine Hat. Now, they really do not have access. They have the one paper and there is no way they can have access to things within a reasonable time, or at a possible price. I would think that for the newspaper industry itself, in order to protect their own credibility—some of this problem of credibility comes through from the past, from the depression when we had a line of newspapers in Alberta the same as Huey Long had in Louisiana. You know this was the great game, if you could get the newspaper mad at you, you were elected. Now, it seems to me that people like yourself, and you have had the experience in both the small communities and the metropolitan areas—it seems to me that you could put on the record something that might be of value to these people in trying to solve this very, very serious problem.

Mr. Bassett: Well, at the risk of telling these other publishers how to mind their business, and I have enough trouble minding my own, I would so do if I had an easy solution. It is not that I am unwilling to do so. I believe, though I do not personally know all these editors that you have mentioned, I know a good many of them, and I must say that I have a great admiration for them as I am sure you do.

Senator Prowse: Good papers.

Mr. Bassett: Darned right they are good papers, and they are certainly trying to meet the needs of their community, and it is a difficult problem editorially. I know through discussions with owners, responsible officers

of chain newspapers where they have monopoly situation, they are concerned with what you speak about. I think without knowing a great deal about it, it seems to me that it falls down on the other side. I think some of these papers because they are the only editorial voice in the community, do not take perhaps in every instance they don't give the strongest editorial leadership. You see a newspaper can give a strong leadership which I think it should. The readers in as many cases as not reject that leadership. Reject those suggestions. I gave you the example of Bill Dennison in the election before the last; but that does not in my view mean the paper should not continue to express its view anyway.

Senator McElman: I do not know if you apply this locally, but the Canadian Press does provide a service with which they carry each week the editorial opinion from across the country. Certainly on national news those papers should have available to them, for example editorials from *Le Devoir* and so on.

Senator Prowse: They do that, I am speaking of one like the *Journal* and the *Herald* for example. The *Lethbridge Herald* which I see once in a while and the *Journal* and the *Herald* in Calgary; the Medicine Hat paper I do not see as often; but they do carry that on the national issues, this is not a big problem. It is on the question of local issues, you know the size of a garbage can can be a hell of a lot more important than who the next prime minister is going to be unfortunately, and that kind of thing.

The Chairman: Senator Prowse, do you have other questions, because I just want to ask one quick question. The *Telegram* used to run a campaign, perhaps you still do, that it is the most quoted newspaper in Canada?

Mr. Bassett: Yes, still is.

The Chairman: Does that campaign still run?

Mr. Bassett: Yes, we run it, not a campaign there is an independent organization which counts up the quotes.

The Chairman: Why is the *Telegram* the most quoted newspaper in Canada?

Mr. Bassett: Because I think it is the best.

The Chairman: That the only reason?

Mr. Bassett: Well, must be.

The Chairman: O.K. I will put that identical question to some other publisher.

Mr. Bassett: Oh, we go to some trouble to make these editorials available.

The Chairman: I was coming to that.

Mr. Bassett: They are readily available, we do not always wait to be invited to send them.

Senator McElman: Firstly I would like to say how deeply my background appreciates a witness who answers straight and frankly. You have done so, sir. As a matter of fact you have ruled out many of the questions I had proposed to ask you, and I will restrict myself to a couple.

The protection of source of information by journalists has been discussed at quite some length. In capsule form, the current situation is that the Court decides whether a journalist should testify in a criminal action. Some journalists suggest they should be able to make that decision themselves, and this should be protected by the law. What is your view?

Mr. Bassett: My view would be if this applied to me as it did, in a famous case many years ago, to my late friend Blair Fraser, I would be prepared to leave that decision to the Courts. Mind you if I felt as strongly about it as Mr. Fraser did at that time, and I am sure journalists have since, I would protect my source, and if I felt strongly enough about it, I would have to pay the penalty, but I would be perfectly prepared to leave that decision with the Courts of this country.

Senator McElman: As it now exists?

Mr. Bassett: Certainly.

Senator McElman: In your brief at Page 6, section 30 you refer to a national newspaper, and say it is not feasible, I take that as financially?

Mr. Bassett: Geographically not feasible, sir. It is not really a question of finance, it is a question of geography. It is not feasible because under existing means of communication you cannot put a newspaper that is time—news is a perishable commodity—and you just cannot put a newspaper into the hands of a reader on a national basis in this country. What has happened because of this, of course, is that as newspapers have developed over the years, the reader looks for and expects,

and therefore gets a substantial proportion in his newspaper of local and regional news. In this respect it becomes also a financial problem. That is why the *Telegram* or the *Star* cannot really—while their papers are distributed all over Ontario, in most cases I could not give you the percentages, but for instance the *Toronto Star* and the *Toronto Telegram* over the years, they both really have given up now, but over the years have literally sunk tens of thousands of dollars into Hamilton, a big thriving, bustling city. It looked like a prime market, but the *Hamilton Spectator* has got Hamilton locked up. It is a fine newspaper, it serves the needs of its community excellently. It has a first rate publisher, a fellow called Tommy Nichols, he is just great. The *Star* and *Tely* sell a few papers, the *Globe* sell many more because they sell about seventeen or eighteen thousand in the morning, but this is a good example. You could truck papers down to Hamilton out of the *Telegram* plant probably all afternoon but probably nobody wants them.

So it is a geographical situation, and a regional thing which is reflected in so many aspects of our whole national life.

Senator McElman: On my premise that a national newspaper would be good for the nation, do you foresee technological development of a newspaper, not in the form we now see it, but as one gentleman spoke about a newspaper on your wall perhaps five years from now, do you see a national newspaper in that sense? Do you see a demand sufficient to bring it within that sense?

Mr. Bassett: No, I don't, sir. I don't. There are two good newspapers in Winnipeg as you know, the *Free Press* and the *Tribune*; the *Free Press* particularly has had over the long years, a great tradition of the western political sensitivity. I would think that the readers of the *Free Press* would not be—I would think that their thirst for national coverage is probably very well satisfied by the *Winnipeg Free Press*, and that a national newspaper could not hope to compete with the *Winnipeg Free Press* in the coverage of the news of Winnipeg, or the Manitoba area, and would simply be not financially viable in any way even if you get it there.

Senator Prowse: For free?

Mr. Bassett: They would not want it, I don't think so. Do you?

Senator Prowse: No.

Mr. Bassett: They would not want it in Alberta?

Senator Prowse: I do not think so.

Senator McElman: There was a question a few moments ago, do the Toronto newspapers show a responsibility. With respect and actually to give a testimonial for the Toronto newspapers, where a situation developed in one Province which was highly controversial—a highly controversial program was being instituted . . .

Mr. Bassett: In New Brunswick?

Senator McElman: Exactly, and many people felt that it was not getting the balanced coverage at the local level. I would simply like to say, for the record there are thousands of people in New Brunswick who respected the job that was done by the Toronto newspapers in sending their people into New Brunswick and doing a balanced coverage. And although the newspapers of New Brunswick did not see fit to republish that balanced coverage, it did serve the purpose within Canada that your readers knew what was going on, and in that sense many people deeply appreciated the fact that you do pay attention to the issues that go on outside of Toronto.

The Chairman: Unhappily we must adjourn in a moment or two. However there are two important questions I would like to get on the record. There is one I am going to forego. I would have very liked to have questioned Mr. Kelly about the Press Gallery, but perhaps there will be another opportunity to do that. Mr. Fortier you have one question, could we forego it?

Mr. Fortier: Well, maybe we can get a yes or no answer although this is not the sort of answer I seek. Mr. Bassett for some months now the *Telegram* has sold a page to a public relations firm . . .

Mr. Bassett: That is right.

Mr. Fortier: . . . which uses it to print stories and photographs about its business clients? This page to me looks like a news page. I know that there is a line identifying it. On

the question of ethics, what are your views on this page?

Mr. Bassett: I wish I could sell ten of them. You yourself said that it looked like a news page but you said it was clearly defined as an advertising page.

Mr. Fortier: I know there is a line if you look closely.

Mr. Bassett: Well, you don't have to look closely. Be my guest. It is right at the top, it is clearly designated as an advertisement, and I believe that a newspaper has not only the right, but it has the responsibility to be available to clients who will pay the rates, and buy the advertising as long as the advertising copy is clearly designated as advertising.

Mr. Fortier: Thank you.

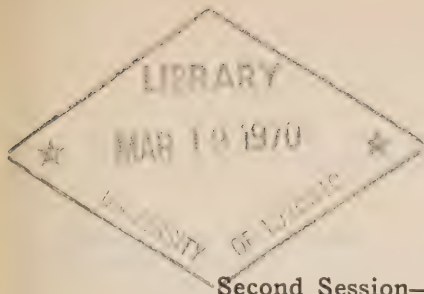
The Chairman: Well, I think I could say in closing the session that the question that I have can be put to television people when they come. The Senators have expressed their gratitude. I think we have all been impressed as I always am with your frankness and we appreciate your bringing your team of people and answering so many questions. There are so many areas which I think we would like to follow up. You said you would send us the information on homosexuality. We mentioned Mr. Bassett, there are several other matters and perhaps we can have an opportunity of talking to you informally and privately. I do not mean before the whole Committee. I will simply say on behalf of us all again we are grateful, and thank you.

I would point out Senators that the next meeting of the Committee will be at ten a.m. on the 20th of January in this room, and we shall be in touch with you.

Mr. Bassett: If I may on behalf of myself and my colleagues say that we have found this useful and we are just delighted that the calibre of you gentlemen are taking this kind of interest, and are going to this kind of trouble to get at some of these problems. Best wishes as well as a Happy Christmas.

The Chairman: Thank you.

(Hearing adjourned at 12:45 December 19th, 1969.)



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 9

TUESDAY, JANUARY 20TH, 1970

WITNESSES:

Combines Investigation Act, Department of Consumer and Corporate Affairs: Mr. David H. W. Henry, Q.C., Director, Investigation and Research; Mr. Roy M. Davidson, Director, Merger and Monopoly Branch.

The Canadian Home and School and Parent-Teacher Federation (Incorporated): Dr. Edgar Gillespie, Chairman, Audio-Visual Education Committee.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, *Chairman*

The Honourable L. P. Beaubien, *Deputy Chairman*

Beaubien
Bélisle
Bourque
Davey
Everett

Hays
Langlois
Macdonald (*Cape Breton*)
McElman
Petten

Phillips (*Prince*)
Prowse
Smith
Sparrow
Willis

(15 Members)

Quorum 5

Denis Bouffard,
Clerk of the Committee.

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—

Resolved in the affirmative.

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

TUESDAY, January 20th, 1970.

(9)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, *Chairman*; Beaubien, McElman, Petten, Prowse and Sparrow—(6).

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Yves Fortier, Counsel; Mr. Borden Spears, Executive Consultant.

The following witnesses were heard:

Mr. David H. W. Henry, Q.C., Director of Investigation and Research, Combines Investigation Act, Department of Consumer and Corporate Affairs;

Mr. Roy M. Davidson, Director, Merger and Monopoly Branch, Combines Investigation Act, Department of Consumer and Corporate Affairs;

Dr. Edgar Gillespie, Chairman, Audio-Visual Education Committee, Canadian Home and School and Parent-Teacher Federation.

The following witnesses, representing the Department of Consumer and Corporate Affairs were present but not heard:

Mr. W. F. Lindsay, Merger and Monopoly Branch;

Mrs. Suzanna Dalfen, Merger and Monopoly Branch.

At 1.15 p.m. the Committee adjourned to Wednesday, January 21st, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard,
Clerk of the Committee.

THE SENATE

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Tuesday, January 20, 1970.

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (*Chairman*) in the Chair.

The Chairman: Honourable senators, if I might call the session to order, the witness this morning, is Mr. D. H. W. Henry, Q.C., Director of Investigation and Research under the Combines Investigation Act.

Mr. Henry, we have received not one but two briefs from you. One is a longer explanatory brief, and there is a shorter brief. The senators received these particular briefs only yesterday. And so, while I think all of us have read the briefs, I cannot say we have studied them in a depth which, I am sure you will agree, they deserve.

I propose you begin with an oral statement, of perhaps about 15 minutes (longer if you wish, of course). In that statement you can summarize the brief, or explain it, or expand upon it. And following that oral statement the senators would like to ask you some questions, perhaps on the contents of your brief and perhaps indeed on other matters.

Now, you have some people with you. Perhaps you could begin by introducing them.

Mr. D. H. W. Henry, Q.C., Director of Investigation and Research, Combines Investigation Act: Thank you, Mr. Chairman and Honourable Senators.

I have with me on my right Mr. R. M. Davidson, who is our Chief Economist, and who is the Director of the Merger and Monopoly Branch of my office. His function, along with his staff, is to do the actual work of the investigation of mergers and monopolies.

On his right is Mr. W. F. Lindsay, who is a Chartered Accountant on the staff of Mr. Davidson.

With Mr. Lindsay is Mrs. Susannah Dolphin, who is also working on this staff, along with other staffs, mainly on research matters. Mrs. Dolphin, incidentally, is the leader of the team which was mentioned by Brigadier Wardell as having undertaken the search of the newspapers in the Maritimes. If any question was raised, Mrs. Dolphin might explain what went on there.

Now, Mr. Chairman, I must apologize for doing what I frequently do; that is, provide a large package of paper at the last minute for people to read. I am sorry about that. I was aiming at getting it to the Committee by last weekend. I got the large one to you by last weekend, but I understand that many were not here and therefore it was delivered yesterday morning.

My short statement, which was much more manageable, also reached you yesterday.

But I think that, if you have no objection, Mr. Chairman, I will just very briefly sketch in some of the important points in the large document—that is, the so-called notes—which might serve to put you in the picture, if you have not had a chance to read that paper, on the basic principles of our Act.

Now, the Act, as it has been described by Chief Justice Duff, that eminent jurist, has as its object the preservation of the public interest in competition. So what we are talking about here is a statute which is the embodiment by Parliament of the competition policy of this country.

This subject is becoming a matter of much more current discussion these days; a great deal more interest in competition with the development of consumer interest and “consumerism” and that sort of thing. But there is an objective behind all this.

The purpose of the Act in protecting the public interest in competition is based on the theory that the competitive marketplace should be the regulator of industry, trade and commerce, and that this will bring about the best type of economic efficiency.

Economic efficiency, therefore, is the main object.

Under this type of arrangement, so the theory goes, the market will determine what goods and services are produced in the economy, at what price, and what kind of a choice will be offered. Of course, it is crucial to a competitive market that a choice be offered to whoever is purchasing the goods and services in that market.

Another way of putting it is that the marketplace will regulate industry under a competitive system. Industry ought not to regulate itself. Market forces do that. And under the spur of market forces industry will make decisions which, in terms of the economic theory concerned, will bring about the best mix of goods and services, the best choices available, and the best prices.

Now, we know, of course, we don't have a system that is working as smoothly or as perfectly as that, because we have in fact a mix of areas which are termed monopolistic, competition, or oligopoly—that is, small numbers of sellers which are themselves quite large individually, some of them quite powerful.

This comes about because we have a small domestic market. Most of our industry is probably domestically oriented in the first place and has grown up as a domestic proposition behind tariff barriers.

We tend to find concentration—or “oligopoly” as the economists call it—throughout industry in Canada, certainly in many areas. It characterizes our economy. It is our small market, our small population—a function of that.

With the idea of competition in addition to the idea of efficiency goes the resulting diffusion of power. And in the context which you are studying this of course is an important matter.

Diffusion of power, which is not normally regarded as the main function of the anti-combines legislation in Canada, nevertheless is a result if the market is working properly. In a social science context, of course, diffusion of power becomes extremely important.

Now, the coverage of this combines legislation; there are just three areas I want to tell you about so you will know the general picture.

First we have the part of the law which prohibits conspiracies in restraint of trade. That is, collusive arrangements which limit the forces of competition. We call those the

combines, the conspiracies, which are part of the general conspiracy law handled as a conspiracy matter in the courts, and as the area of our Act which has received the largest amount of enforcement over the years.

That is probably due to the fact that conspiracies, once depicted, are a type of activity with which the criminal courts are familiar. They know how to deal with them; and they have dealt with them in large numbers.

Now, incidentally, the cases in which this type and other types of activity under the Act have appeared in the courts are listed in the back of my annual report on a cumulative basis. You have that report distributed to you. If you want to check on that, the cases are all listed in the back of the report, from the very beginning.

The second area is mergers and monopolies which may operate to the detriment of the public. And the point here is that it is not every merger and every monopoly which is prohibited by the Act, but only those which operate, or may operate, to the detriment of the public.

Really what we are looking at in the merger area is the extent to which competition is limited. What competition remains is the crucial question in our administration of that provision.

As far as monopolies are concerned, it is monopoly that is administered to the detriment of the public. And in short terms we tend to say that it is the abuse of monopoly that the Act prohibits rather than the monopoly itself. It is not an offence to be in monopoly position. It is an offence to undertake certain conduct which abuses that position, tends to perpetuate, tends to squeeze out new competition.

Now, the third area: what we call trade practices, which I am not going to burden you with in detail. These trade practices are a miscellaneous group of activities which have anti-competitive connotations, most of them. These are price discrimination; disproportionate promotional allowances (which I will explain if you want, but not right now); predatory pricing, which is a monopolistic type of tactic; that is, deep price cutting to drive a competitor out of the market; resale price maintenance, which is the practice of a distributor or seller of goods requiring a purchaser to re-sell that product at only a specified price, or not below a minimum price that is specified or agreed—in other words, maintaining prices usually at the retail level.

And the final one coming under this group is misleading advertising, which is, I suppose, not really part of the inquiry here into concentration.

Well, that is the general coverage of the Act, those three main areas. I will come back to the merger provisions shortly.

Another aspect of this Act which must be borne in mind is that it is all criminal law. It is part of the criminal law of Canada.

There are historic reasons behind this; but the very important thing to understand about that is, because it is criminal law, in every case that is taken to the courts the onus is on the Crown to prove an offence, an indictable offence, beyond a reasonable doubt.

The Crown has all the problems that any prosecutor has in a criminal case. "Beyond a reasonable doubt" is sometimes a very difficult onus to discharge when you are dealing with economic concepts, particularly in the field, say, of mergers where, unlike a conspiracy, which once you find the agreement is reasonably clear cut—and that may be very difficult to find because the evidence is not usually readily available—unlike that, when you get into such matters as the operation of a merger or monopoly you are dealing much more with economic concepts and it is much easier for a court to find a reasonable doubt, because what is the right theory of economics is always a matter of judgment. And if there is a reasonable doubt in the mind of the judge he is going to acquit.

So criminal law presents problems to us. We regard it as a very blunt instrument with which to approach a thing like a merger, for example. Because what is the point in fining someone, because big corporations being involved, they have to be fined? For individuals there is a provision for up to two years' imprisonment. But that has never been invoked.

What is the point of fining a corporation? The object of the investigation into a merger that appears to be detrimental to the public is to break it up.

There is a provision which allows it to be broken up. But that is the real remedy. Some kind of economic remedy which changes the structure is what you need to get at, rather than the fine. And therefore the fine does not really constitute the remedy of first importance.

The provision which allows the court to split up the merger (incidentally, no court has done this yet) is to my mind the effective

remedy. Another effective remedy is to drop the tariff on the merger and allow international trade to import more competition into the market and so hold it in line through economic forces.

Criminal law, therefore, has presented problems. But there has been a constitutional problem about that, because the courts so far have held that the combines legislation is criminal law, and valid criminal law, but have struck down at least two attempts to import civil proceedings into the whole combines techniques. These have been struck down by the courts, once in 1923 and once in 1935.

And we are posed, therefore, a question here as to whether future attempts to bring in civil law techniques—which I think are absolutely necessary—will indeed pass the constitutional test.

I think this is quite possible. I think there are two or three ways of doing this. But all I want to say to you is one of the reasons why criminal law characterizes the combines legislation up to now is constitutional as well as historical.

One other characterization of this legislation is that there is no power to regulate any industry.

This comes from the fact it is criminal law. Criminal law prohibits things, but it does not give anybody power to regulate. And therefore it is not open to me as the Director under the Act to tell somebody that, if he does thus and so, everything will be all right, there will be no prosecution, or that he will be permitted to continue his course of conduct under certain conditions.

What I am trying to get across is that there is no power in me or any other official to regulate the conduct of a business. Either they are breaking the law or they are not breaking the law.

I adhere very strongly, philosophically as well as in practice, to the principle of the rule of law. And my approach to these problems is, if they are not breaking the law in my judgment, I have no alternative but to leave them alone. That is what the rule of law means. If they are not breaking the law, they are entitled to continue their course of conduct. If they are breaking the law, then the public is entitled to have the law enforced against them.

So, no regulation.

The next point that is very important is that The Combines Act does not apply to

what we call pure services, except one or two that are mentioned in the Act.

Now, by "services" I am talking about the pure services like the professions practice, where no goods are produced—sales services of some kind, such as real estate salesmen; all the professions, as I say, barbers and people like that, who are performing a service. These do not come under the Act. The Act is concerned with activities which have some relation to the manufacture or distribution of goods.

Now, to put that one in a nutshell, newspapers, magazines, periodicals, where a thing is produced, come under the Act. But where a thing is not produced, such as in the field of broadcasting, that activity does not come under the anti-combines legislation.

There are one or two services in the Act which are mentioned, such as transportation, rental supply and storage of goods. They have to be of goods, though they are services relating to goods. And the one real aberration is insurance, the price of insurance, which has no relation necessarily to goods. Those are under the Act, but other services are not.

Now, the merger provision, let me say a very brief word about that. The best of whether a merger is unlawful is whether it limits competition to the detriment of the public.

Two key ideas there: one, there must be a limitation of competition; that limitation of competition must be detrimental to the public.

Parliament has not said what is meant by "detriment to the public"; and the courts have been left therefore to put flesh and bones on that idea.

There were only two important cases in the courts, which are mentioned in my paper. One is the beer case involving Canadian Breweries. The other one is the Western sugar case involving the merger of the western sugar refining firms. The B.C. firms acquired the Manitoba firm thereby, in the judgment of our office, creating a monopoly of sugar refining in Western Canada.

The beer case was slightly different. That was a series of mergers which caused Canadian Breweries to dominate the brewing market. But the percentage of domination was not nearly as great, of course, as in the sugar case. It did amount to something on an average of between 60 and 70%, depending on what market you looked at, something in that order.

Both those cases were dealt with by the courts, at the trial level in each case; in one case the Manitoba Court—that is the sugar case—and the other case The Ontario Supreme Court—the beer case. And in both cases an acquittal resulted.

In other words, the mergers were not struck down in either case, with the result that all our jurisprudence is, so to speak, negative. It says why mergers are not unlawful.

In the beer case two important ideas emerged. I regard this case as much more important than the sugar case, which tended to follow in not too clear and orderly a way, the judgment in the beer case.

In the beer case two things emerged: one, that, because the price of beer was regulated by the provincial liquor boards, that took the case out from under The Combines Act.

So you have established a principle which we follow, and feel we have to adhere to, because the Supreme Court of Canada has mentioned it also in other cases as being the valid principle: that where you have provincial regulation under valid laws of an aspect of an industry, to that extent that industry is out from under the Combines Act. So the thought is that the board, or whatever the agency may be, protects the public interest rather than market forces.

Now, sometimes you have two things that work in an industry. You have one aspect that is regulated. For example, in Ontario the Milk Board regulates prices at the producer level. The competition operates below that. Both areas are competing with each other. You have the two principles at work. But when the price is regulated, that part of the operation is taken out from under The Combines Act.

The other point arising in the beer case is that, even if the Judge had not decided that principle, he said he would not have found the degree of concentration—something between 65 and 70 per cent, let me say in broad terms, because it differed in different provinces—he did not find the concentration sufficiently concentrated, or high, to enable him to strike down the mergers.

And in the Western sugar case, notwithstanding that there appeared from our standpoint to be a monopoly of sugar refining in Western Canada as a result of the merger of the two interests involved, the court said that there was some competition of some sort, possibly a threat of competition, possibly

some extra competition from the eastern refiners, which saves the situation. And so the merger was not struck down.

Well, we are faced with that jurisprudence.

The limitations, therefore, on the administration of the Act, the limitations to the Act, are set out at page 26 of my notes. And perhaps all I need to do is to draw them to your attention because I have said most of this. But I would like to say this, that one of the things that comes out of it is (b) at the bottom of page 26:

"Thus far, the courts have looked at the effect of the merger on competition, as the statute requires, but have held that competition must be virtually stifled before the merger can be struck down under the law."

Then when you get down to (e):

"The courts have been reluctant to enter into any sophisticated economic analysis of the situation resulting from the merger and have tended in lieu thereof to find a reasonable doubt in the face of evidence of some competition remaining."

Well, the other limitations you might have a look at. In point (f) I say that, if the virtual monopoly test is applied—and I would like to have that upset sometime in the courts, if I can get a case to the Supreme Court of Canada—as long as it does apply, the merger provision as a practical measure, I suggest, is rendered nugatory.

"There is clearly no possibility that it could be used to arrest monopoly in its incipency.";

that is, in the early stage, as the Americans do when they can see monopolization growing.

But here we have to wait until concentration has got to such a degree there is not much chance of doing anything about it anyway.

"It could be invoked only in the final stages of monopolization when concentration has proceeded far beyond the degree where competition remains an effective force."

That is my assessment of this legislation. Nevertheless I do proceed against mergers that I think it would be responsible to take before the courts. That is, if I see a merger take place, then the statute requires an investigation by me; I have no alternative—subject, of course, to having resources available,

which is always a very awkward practical problem for us, because we do have to assess priorities.

But assuming we find a merger which produces a reasonably high degree of concentration, we will weigh up the question whether it would be regarded as at least a *prima facie* case by the courts, so that to bring that case forward would be at least regarded as responsible in the light of the jurisprudence.

I will not allow myself to be drawn into or pressured into undertaking inquiries that I consider to be irresponsible because they do not really in my judgment—and, after all, in the statute I am required to judge—unless there is reason to believe there is an offence.

My policy, therefore, is to proceed where I can. I have set that policy out in public, and also in this paper at page 29, in case you want to look at that. In other words, we do have a merger programme going. We have quite a number of them.

Probably in the merger field our programme of compliance has been the really effective force, to the extent we have been effective at all. And I do want to say that I am very modest about this because, looking back over the situation, I feel that through limitations of the law and our own human and physical resources, and limitations of resources in the Department, and the need to spread ourselves pretty thin, I feel that we have not accomplished as much as the statute originally was intended to accomplish. And, of course, this means that what we need is a revision of this legislation which, as you know, has been announced by my Minister in any event.

But the programme of compliance that I was mentioning is this. I am prepared to hear representations, or answer questions put by industrial people as to whether or not if they undertake a certain course of action I would start an inquiry.

Now, under the Act I have an obligation to start an inquiry if I have reason to believe there is an offence. It is as simple as that. It is a statutory obligation which is imposed on me by Parliament.

It is for this reason that the Minister in the House of Commons, or in one of the parliamentary committees, recently referred to the Director under this Act as the watchdog of Parliament and the public in the field of competition policy. Therefore I have an obligation on behalf of the public and Parliament to investigate when I have reason to believe there is an offence.

Now, to assist the businessman in knowing what my action is going to be, I am quite prepared to hear him explain what he wants to do, and then say to him "In my judgment if you do that I would have to start an inquiry." He knows, therefore, what I am going to do before the event.

This has been quite useful in the field of mergers. All I want to say is we have had a number of mergers brought to us in advance of the event, and usually where we say we are going to undertake an inquiry in that event, then the merger does not take place.

It may take place. In fact it happened that way in the case of the Lakehead newspaper merger. We were asked beforehand if we would start an inquiry. And I said yes, we would.

And, as I always encourage people to do, those concerned took legal advice on it. It was well understood they should get independent legal advice. And I must say this is the only proper course, because otherwise they are putting themselves in the hands of a bureaucrat, which I don't agree with.

So they got independent legal advice. The advice was that they should proceed. They quite courteously told me they were doing that. I said "All right, I told you I would start an inquiry." And I did that.

We got that case before the Commission. And the Commission did not agree with my position. The result was the merger was not further opposed.

But I just want to explain to you that is the way the programme of compliance works. It is open to anyone to come and bring a merger that he proposes to undertake and get an assessment of it, which we will do quite rapidly. And we will let him know where he stands as far as the combines office is concerned.

These, incidentally, are reported the merger cases anyway are reported in my annual report in anonymous terms, so that the public can see what cases are being brought before us and generally the circumstances that have caused me and my officials to say we would start an inquiry or would not.

Now, monopoly I have already mentioned is not an offence by itself. It is the abuse of monopoly. And perhaps on that note I might leave that.

I did mention to you a few inquiries that had been undertaken in the past decade. I said there are eight formal inquiries (this is page 35) under The Combines Act into the

field of mass media. I should have added this is in the past decade, because there was an inquiry into Famous Players back in the Thirties; but I did not go back that far into history.

Eight formal inquiries roughly in the past decade, which I have listed. I did that to indicate to you that we have been reasonably active in the field of the mass media, because that is quite a number of inquiries in relation to one general area of industry by comparison with other industries.

Some of those are still taking place. But I did refer very briefly to the three newspaper inquiries (starting at page 39) which will give you an idea of how the play goes on the field in the circumstances.

Now, that is, I think, enough on the general notes except to say that I feel that it is important in assessing the state of concentration in one of the media to look at that in the context of the total industry of communications through mass media because of the shifting balance that may be taking place.

I am not prophet. I am certainly no Marshall McLuhan. But I am not quite sure that we would be wise to assume that the present pattern and present balance of usefulness of the various media will continue. I don't know.

In the short paper I hinted that perhaps one thing which may foster further concentration in the newspaper field is the possibility that the younger generation—and perhaps I should be talking not only of my teenage and young teenage children, but perhaps the generation behind them—may become more familiar and more addicted to oral and visual media than to the written word. I don't know. But if that were to be the case, then there would be smaller markets relatively for, say, newspapers, which inevitably will lead to a greater degree of concentration, because a market for a newspaper can only sustain a limited number of newspapers. It is obvious. People may buy two, but they are not going to buy five.

And the result is that once you get a proliferation of newspapers operating in, say, the metropolitan market—because that is where the big volume is, in our metropolitan centres—these newspapers have to divide their circulation among a reasonably fixed market. They can push out as far as they can, it is true. But there are limitations of space and time on that. So the result is you must inevitably have a fairly small number of new papers.

I have tried to say something like that in the short paper, and to point out that what the other media are doing may have a bearing on this.

If the other media are competitive with the newspapers, then you look at the whole competitive circle. If, say, television is fully competitive with newspapers, then you don't look at newspapers alone but newspapers plus television—if they are competing with each other.

Now, in the short paper I have said they are not fully competitive with each other; they are perhaps complimentary: different presentation, different appeal, less news coverage in the television than newspaper, for example. You don't get the mosaic type of coverage—well, you do; you get the mosaic type of coverage in both. But the mosaic type of coverage in the television media and the radio is different, much more pointed, but much more limited than in the newspaper, which can give you a very wide coverage of both local and national news. With the result that they both serve at the moment roughly different markets.

But there are areas where they are competitive with each other. You will notice that as one of the possibilities of holding down concentration or injecting more competition into a concentrated situation—because there are concentrated situations in our metropolitan areas, and there are concentrated situations in towns, because most towns have only one newspaper—if you can inject competition from one of the other media there by making it more directly competitive with the newspaper, shall we say, then the fear of greater concentration becomes less, because the concentrated media will be, so to speak, held in line by the other perhaps becoming-more-powerful media.

And then one must consider also sources of information from the electronic media. I don't know how soon it is we will have the push buttons on the telephone where perhaps you pick up the telephone in the morning, you push the button, you ask the machine at the other end in an ordinary voice whether a report is available on Biafra this morning, and you get it immediately; and that is up to late within a matter of hours of the events happening—less than that, maybe minutes.

Is that the pattern for the future? If it is, what is the effect of that on the other media.

Obviously right now it does not look as though we use the electronic push button

type of device for very much more than getting access to data banks. So this might be useful to scholars, to commercial people, statisticians, and so forth, who want to get information of a very specific kind from the data banks. But it is quite obvious that once progress starts in this field the sky is the limit. We don't know where it will end up.

So all I suggest is, Mr. Chairman, that this is a relevant matter to consider in the context of, say, looking at newspapers, which seems to have been up to now the pre-occupation of the Committee.

Now, I do not think, Mr. Chairman, I should read the short paper here.

The Chairman: No.

Mr. Henry: I take it that the members have probably had a chance to look through it.

The Chairman: I think they have probably scanned the short paper, yes.

Mr. Henry: All I do at this stage—because I can go back and fill some of that in—is to draw attention to a few questions which I raise at the end.

These are not all the questions. They may not even be the right questions. And I am not sure that they are all good questions. But they are questions which occurred to me which might well be considered in the course of your study.

The point that I am making on page 8, question number (1) is that what must be determined, I think, is whether the degree of concentration which does exist has gone too far, or is it at this stage not alarming? And that should be looked at in relation to individual markets—individual markets which newspapers serve—Canada as a whole, in a national sense, and the larger market of all communications media.

Then I am suggesting, by asking a question, one means of arresting further concentration may very well be technological change which will make it possible through simple technological devices for newspapers in small towns to print necessary copy for the purpose of circulating this to local citizens which might facilitate new entries to the business.

Now, new entries are terribly important to the vitality of any industry. And one of the big problems in Canada is how to get new people setting up new newspapers. There are some who feel this will not happen anymore, certainly in the metropolitan areas.

But new technological developments may make it possible to print easily and print cheaply and in large quantities. And if that can develop, research can be done to develop that, it may very well provide one of the answers to what appears to be a trend in the direction of further concentration.

Because now, as you will know, there are three chains. And while some people are nervous about that, there are three. They are by and large competing with each other. Where they don't compete with each other, that is the point where one should put the finger and regard it as sensitive.

But there are three. We don't have one at the moment. The question is, will there always remain three? And how can arrangements be made to perpetuate at least some competitive atmosphere among the chains?

So I have made one or two other suggestions. I eliminate direct regulation if at all possible, because I think it would be very dangerous to regulate the press. But the anti-combines laws, the anti-monopolies laws, which have a broad coverage applying to everybody, certainly is a technique, if they were improved, to deal with concentration and with mergers.

Now, I say "If they are improved"; and I mean that. It would have to be done under a new law. But, as you know, the Economic Council of Canada has made a report in which it has recommended revising, among other things, the merger laws, to provide in a civil context rather than criminal that a merger could be screened through a new restrictive practices tribunal, as it is called, in which those who constitute the membership would deal with economic analysis and economic assessment of efficiency versus competition; what is the right balance?

There is no reason whatever why the news media could not be brought into that principle if concentration is of concern to this Committee, or to the public at large.

I have made one or two other suggestions. They are all designed to try to inject more competition into the newspaper field particularly.

In number (4) I simply asked a question, is it possible to allow editors to be more perceptive as to the needs of the community for news coverage and for the distribution of opinion?

My suggestion there is that one thing that might be considered is whether greater interchange between the public and the press

corps might bring about a more satisfactory coverage of news from the standpoint of what the public wants to know about and what the public wants to have discussed.

This kind of thing, it seems to me, might sharpen up competition because, as I have said in the paper, competition in the press—and it is the printed press I am talking about now, the newspapers—is not on price. The papers all tend to be about the same price.

This price level actually tends to be the result of a well known economic concept: in an oligopoly situation the price tends to reach the same level.

Competition therefore has to be on service and quality. Therefore, if you can inject competition on quality into newspapers by various incentives, including pressure from the public to discuss more meaningful questions, give better coverage to certain areas, that may bring about the sharpening of competition which, in a state of high concentration, may become sluggish. In other words, it is the old principle: if nobody has to beat the other fellow, why should he try so hard?

The question is, can we inject anything in there to make them want to struggle with each other a bit more intellectually and so bring about a sharper analysis of news and a more meaningful coverage of news, if that were necessary.

Well, Mr. Chairman, that is a very quick review. I am sorry I have been so long about it.

The Chairman: Thank you very much. As you say, it is a quick review, but it is also, as far as we are concerned, a very efficient and useful review.

I know that some of my colleagues on the Committee do have questions. I will turn to them now.

I think perhaps Mr. Fortier would like to ask some questions.

Mr. Fortier: Thank you, Mr. Chairman.

Mr. Henry, I listened with much interest to the way you very effectively and succinctly summarized your two written briefs. And would like you to apply your mind, for obvious reasons, exclusively to the mass media.

I would like to start with this question how effective really is the Combines Investigation Act to deal with concentration of ownership in the mass media in Canada?

Mr. Henry: In its present form it is effective, in my view, only to deal with concentr

tion when it reaches near monopoly proportions which, as I have said, is too late.

Mr. Fortier: In your assessment, as the Act when speaking of monopoly situations refers to "a monopoly either throughout Canada or within an area thereof", assuming that it was brought to your attention that there was a monopoly situation in a given area, and you undertook an investigation—members of your Department acting under your instructions undertook an investigation under the Act—what would you look at?

You referred to the price of newspapers as really being regulated by the marketplace. And then you spoke of quality and services. Those were your words.

Mr. Henry: Yes.

Mr. Fortier: Would you in assessing, in attempting to assess the type of monopoly which existed in a given area of Canada within the newspaper industry, and whether or not it operated to the detriment of the public—would you look at the end product? In other words, would you look at the message? Would you look at the news which was published? Would you look at the news which was not published possibly in that particular area, and which should have been published?

Are these concerns which you can apply, you know, in the concrete?

Mr. Henry: Well, there are several things to discuss there. One is that an existing monopoly would not be attacked by us unless it conducted itself in a manner which I thought gave me reason to believe would contravene the Act. In other words, that is the abuse, you see, is what I am trying to get at.

Mr. Fortier: The question presupposes you have made that original decision.

Mr. Henry: All right. Supposing I am then there investigating; what would I look at?

Well, the kind of monopoly that I would solely look at would have in almost ten instances to one arisen from a merger.

Let us take that. We will take them both, let us take that one: the monopoly produced by a merger.

The questions, or considerations that we look at are set out in my paper. I put down a lot of them here. This is just for reference. Then I will ask Mr. Davidson, who is the economist—because this is an economic exercise, I will ask him to elaborate. At page

Mr. Fortier: On that point I will ask you this question, if I may: do those guidelines, those questions, apply in toto to the newspaper industry?

Mr. Henry: Yes, in an economic sense they would; that is right.

Now, getting to the rest of your question: would I look at the kind of news that was published, the kind of news that was omitted?

Mr. Fortier: Right.

Mr. Henry: Only to the extent that it might be made to appear that because of a monopoly situation the coverage was slanted in any way that was not giving the public the service it deserves. I am not concerned with what kind of opinions are expressed, obviously.

Mr. Fortier: No, no.

Mr. Henry: But if it were made to appear in the course of our inquiry that, because of the existence of the monopoly and no competition (is perhaps the way I should put it) the newspaper concerned—let us say, a single newspaper in a small town—was getting away with burying important public issues because of offending some local figure, or something of that sort, this would be a matter of concern to me. But I would say that is evidence of the lack of competition arising from the monopoly situation.

As I say, the opinions expressed are the editor's opinions. That is free and open to him. But the question that is of importance is, are the public getting a choice, a variety of opinion, a variety of news coverage, so that if one newspaper is missing the important issues, or deliberately avoiding the important issues, or being pretty fence-straddling on important issues, and not putting up to the public something which will stimulate debate, then I think that is the point of concern.

The question is, how in a one-newspaper town can you inject that kind of competition? It is very difficult. And the only salvation at the moment is that the large metropolitan papers at least have the opportunity of entering the one-newspaper town so that you get the benefit of whatever coverage is there. But in most of the towns they do not circulate in very large numbers, as I think the members would probably be aware.

Mr. Fortier: So the selection of news by the newspaper which in my hypothesis you are investigating would be one of the areas which you would consider?

Mr. Henry: Well, only to the extent that... I would not necessarily quarrel with the judgment of the editor because, after all, the editor must select. He cannot put everything in his newspaper. Therefore he selects.

Mr. Fortier: You see, what I was driving at: would you substitute your judgment for that of the news editor?

Mr. Henry: Well, no. But what I am suggesting in my paper is that what the public wants to hear is best expressed by the public. And I simply ask the question whether there is some way that the public could become more articulate vis-à-vis the editorial staff in, so to speak, saying, "Look, we would like to hear this issue discussed. Now, will you write some articles about this, and will you get two or three people with different viewpoints to write articles over the next week?"

Mr. Fortier: What we are really getting at is the quality of the product, is it not, Mr. Henry?

Mr. Henry: Right. It is.

Mr. Fortier: And my basic question is to what extent do you as the Director under the Combines Investigation Act have authority to look into the quality of the product?

For example, in the beer case would you have been authorized to look at the quality of the beer which was sold?

Mr. Henry: Well, to the extent that it presents a choice, yes, because, I mean, in the marketplace for commodities it is very important that the consumer be presented with a choice.

Now, some consumers may want to buy a high-priced, sophisticated product. Let us say it is a television, or a radio—a radio. We know about this. You can get a hi-fi set. You can get it with a tape recorder or phonograph attached. That can be stereo or monaural. You can go down the line until you get to the little pocket one that costs about \$16 that the youngsters at school carry back and forth with them. Now, those are products of differing qualities at different prices.

The point is, if you had a rigid price system—let us say we have a level price. Supposing all radios that the public wants in large quantities were priced the same for some reason. Let us say there is a price placed on it by some decree. Then the only opportunity for competition—that is, to provide a choice to the purchaser—is to change

the quality. And so the companies will start in a competition situation vying with each other by trying to provide a better quality product.

Sometimes with quality they couple service. And so, as you have seen in some of the smaller automobiles, the networks of distribution which provide excellent service on the European cars will provide a very competitive atmosphere, because the service is important as well as the quality of the product.

So quality and service are two means of competition, particularly when you have sticky price.

Mr. Fortier: But in a given area where you have a monopolistic situation insofar as the availability of a local newspaper is concerned what norm will you use when you consider the quality? What will you compare it against?

Mr. Henry: A very good question.

It is very hard in economic terms to compare quality and say "That is the right quality." We rely on competitive forces to produce the right quality, as I said at the beginning of my statement.

Mr. Davidson: I think one might say that in the newspaper field where, because in any given market there are likely to be very few competing newspapers, one cannot realistically expect competition on price, and therefore as you say, competition has to take the form of competition in quality.

Well, in the newspaper field particularly one of the dimensions of quality which is most important, it seems to me, is the diversity of viewpoints expressed. And therefore it would be concerned if, as a result of merger, the opportunity for diverse points of view to be presented to the public were reduced.

Mr. Fortier: I am also interested in the suppression of news as much as in the diversity of opinions. The editorial content at the moment, at least to my mind, may not be as important as the publication of news: is it the news published that should be published in that particular area?

Mr. Davidson: Well, I would include news coverage and diversity of opinion and diversity of subjects treated, and so on.

Mr. Fortier: I see. So how would you go about analyzing this, whether or not all the news that should be published—should be

published really in the opinion of yourself, Mr. Fortier, and your investigators—has in fact been published over a period of time in that area where there is an allegation of a monopoly which is operating to the detriment of the public?

Mr. Davidson: Well, I think you have to take it prima facie; that is, if you have two independent people presenting a selection or collection of news and of opinion, the diversity is likely to be greater than it is if there is only one.

Now, it may be that the economic circumstances are such that two are not viable.

Mr. Fortier: We are with one. We have one. That is a fact. You have one newspaper. Or you have two newspapers controlled by the same person in one area, and you are looking at the news content.

Mr. Davidson: Well, I think though that one could have to distinguish between a monopoly, which is what you are speaking about now, and a merger.

Now, what I had been directing my remarks to particularly had been the merger situation where you are eliminating one existing independent voice.

In a monopoly situation I think that the principles that apply to monopoly at large apply in the newspaper field as well, and that what one is concerned with in a monopoly situation is whether the monopolist is taking any action unnecessary to the efficient conduct of the business to entrench the monopoly or to extend it.

Now, we have an example of that in one of our inquiries in the Sudbury newspaper case where, according to the evidence we got, a new entrant was about to come on the scene and the existing firm took steps, according to the evidence we had, designed to make it difficult for that new entrant to come in.

Mr. Fortier: Yes. I have read the report. And to use another one of Mr. Henry's expressions, I will leave the news in a nutshell for the time being. I wish to come back to it.

Mr. Henry: Yes, because there is something relevant to come back to just to finish it off.

Mr. Fortier: Yes, I wish you would.

Mr. Henry: I think your question is a very good one. I would not like the Committee or the public to feel that we are some sort of

arbiters of the sufficiency, adequacy of newspapers. We are not, any more than we are arbiters of the quality of a pair of boots or shoes.

You see, our job is not to say "You should have a better product" or "Your product is of poor quality", because the market may dictate that poor quality products be produced. That is what the people may be buying.

For example, quality changes. Take boots and shoes, which I pulled out of the air. When I was growing up—and I am sure when a number of Senators present were growing up—you were able to get shoes, good stout walking shoes with thick soles. But tastes have changed, and what you see on the market mainly now are shoes with very thin soles. And, as one retail merchant told me one day, what people want to buy these days is a pair of shoes which, as soon as they wear out, you throw away. It is a different quality.

All right. It is not up to the Combines Branch to say "That is a poor quality product and should not be on the market." What we say is that the public, exercising what is in these days called "consumer sovereignty" will through its purchasing power dictate in a competitive situation what the market will produce.

I say in a sense that is the same in the newspaper field. Where you have a monopoly there is no choice. That is the problem with monopoly. There is no choice.

And there are two things about monopoly. One, it tends to grow sluggish because, if there is nobody competing with it, there is nothing to keep it sharpened up—unless you sharpen up the buyers. Buyers can exercise some influence.

And that is why I suggest perhaps in these situations—I am not suggesting a press council, but if a press council were to be regarded as a useful vehicle for various purposes, one thing it might do would be to form a nexus between the reading public and editors of newspapers across the country by letting them know what the public wants and whether they are satisfied with (A) news coverages, and (B) variety of opinion.

Mr. Fortier: But at the moment this is something which you have to do, is it not?

Mr. Henry: Yes, because there is nobody else.

Mr. Fortier: Exactly.

Mr. Henry: Nobody else.

Mr. Fortier: And is there any other industry in Canada where the Director is called upon to make such a value judgment?

Mr. Henry: Probably not as important as this. I mean, this after all goes to the heart of our whole society. As I put in my paper, not only are the press media the nervous system of our society, but they are a very important part of power in the state.

I mean, the very fact that the press has been called the fourth estate and the connotation that goes with that indicates the importance, you know. And I only need to say it for you to understand the point.

What was it Napoleon said? "I would rather be . . ." Well, how did it go? "I would rather be opposed by 10,000 armed men than by three newspapers." Have I got it right? That is the idea.

Mr. Fortier: When you dispatch, Mr. Henry, members of your "vice squad" to any given area . . .

Mr. Henry: You mean Mrs. Dolphin over there?

Mr. Fortier: I think I will get into the vice habit if Mrs. Dolphin will come to investigate!

But when you dispatch members of your squad do you tell them, for example, let us take an area in time, point A to point B, look at what happened in the community which was of importance, and see whether or not it was published, what prominence it was given in the local newspaper?

Mr. Henry: We have not done that. We have not done that.

Mr. Fortier: Do you feel you should?

Mr. Henry: Well, you have certainly raised a very good question as to whether we should. I think we might very well feel we should do that.

Mr. Fortier: There is nothing in the Act which prevents you from doing it?

Mr. Henry: There is nothing at all, no. The question would be, how do you do that? I personally would like to have that information in a monopoly type of situation, because this would give me an opportunity to say whether or not, so to speak, the public is getting the quality and service it deserves.

Now, I do want to make it plain that I do not presume to be a judge as to what the public should get. But at least I can say it

should be getting something better than that if you see what I mean.

Look, when I went before the Committee of the House of Commons on Drug Costs and Prices, notwithstanding that it was said with good authority that the prices of drugs in this country and the United States were the highest in the world, I would not allow myself to say to what extent the prices were too high.

All one can say in economic terms, Mr. Chairman, is that with more competition you probably can get better quality in price than you have got. But where that will level off, how effective competition would be, or exactly how competition injected into a non-competitive situation would actually influence the market, you cannot really tell, because there are so many unknowns and imponderables, you will understand.

When you are dealing with a thing like this expression of opinion it is so difficult to state to say: "well, here is what should happen". It is true, I think you can say, "look, here is a newspaper which suppressed items A, B, and D." Why did they suppress it? Well, obviously it was offending the advertisers, obviously it was offending the Government or obviously it was offending somebody else now, those reasons.

On the other hand, perhaps they were suppressed because the editor in his judgment did not think that was important in that community. That is a question of judgment. Because the editor, after all, is the man who decides this, as is well understood.

What I am trying to say is, to answer your question should I investigate to see whether the editor is forming good judgments or bad judgments, I certainly would feel reluctant to do that, or really to pronounce upon it. But I certainly would not be particularly reluctant to find, if it were something that I felt that was empowered to do and could conscientiously do—to find out if in effect it has been a deliberate burying of important news or what might be called unjustifiable so-called reasons.

Mr. Fortier: That answer of yours brings to mind another question. As a lawyer you understand this. Do you take judicial notice of two things when carrying out investigations in alleged newspaper monopoly situations: (A), do you take judicial notice of the owner's other business interests?

Mr. Henry: Yes.

Mr. Fortier: And, (B), do you take judicial notice of the owner's other media interests, for example in the field of broadcasting?

Mr. Henry: Yes. Do you know why? Let us talk about the media. It is very important to know whether a man who has a monopoly of a newspaper is in fact being held in line (going back again to market forces and competitive forces which in this sense are also social forces) by a competing medium.

If in fact there was, let us say, a radio station which all day was broadcasting nothing but news coverage, and in detail, I would say that is quite important, because the monopolistic newspaper owner has to compete with that. That is direct competition. I am talking about there being as wide news coverage theoretically as the newspaper can give.

So the public can say "well, we are not getting news about subjects A, B and C out of the newspaper, but listen to the radio; they have got them". You see. So people know that, and they turn to that, and stop buying the newspaper. All right, that brings economic pressure to bear on the publisher. He says "have got to compete with the other media", and so on.

That is a sort of an ideal situation, because first radio and television stations don't operate that way. They give you some capsule news. You get the highlights. That is all you get. You have to read the newspaper to get all the news. And the same goes for opinions.

Mr. Fortier: You just said something very important—"You have to look to the newspapers to get all the news."

Mr. Henry: Right. Well, I think it is important. That is why I say—and I have said it in this paper here—I think the newspaper is still the most important news medium in this country.

I did ask the question whether it is going to be that way for all time because of developing technology and developing tastes, or changing tastes, on the part of the newer generation, who are less familiar with the printed word, or becoming less familiar with the printed word in the way that Marshall McLuhan and others who are his disciples have explained.

Whether you subscribe to that or not does not matter. The point is changing technology brings about tremendously radical changes in society. And the type of news coverage, the type of news dissemination 50 or 100 years from now for all we know may be just as

radical as the changes that have taken place over this half century in radio and television.

But I think that the Committee should be courageous, and try to cope with that, try to be prophets, and see where we are going.

Mr. Fortier: So the business interests of the newspaper owner, the other business interests, would be of concern to you as well as the other media broadcasting interest?

Mr. Henry: Right.

Mr. Fortier: Or absence thereof.

Mr. Henry: I would be concerned to know, if I were looking at newspaper X in metropolitan centre X—let us take that, because in the towns you usually have one newspaper. It is a monopoly. I don't know that you can do much about that, except some of the suggestions I have made. But let us look at the metropolitan area. I think it is very important to know who owns the newspapers.

Now, if you have some competing newspapers, at least you have some competition. But there will be no question about it, if in a large metropolitan area, or in a large market area, suddenly all the newspapers were acquired by one firm or one interest, I would have to move in. I say that flat out now. And there are large metropolitan areas in Canada—there are not too many of them; you can count them up and identify them—where if more acquisitions take place by people who already own the newspapers in that area, I will start an inquiry.

And in case that causes anybody to be nervous, I simply say that under our programme of compliance all an existing newspaper owner need do, if he is contemplating acquiring another newspaper that might cause him to wonder if I am going to investigate it, is to come in and ask about it.

Mr. Fortier: Thomson did it in the Lakehead situation?

Mr. Henry: Yes.

Mr. Fortier: Do other owners...

Mr. Henry: Nobody else has in the field of the media. That is the only case that I can recall certainly since I have been in this field. And I really got this programme of compliance underway in 1960. The Lakehead newspaper case is the only one in which I have been approached by a newspaper owner who wished to acquire another newspaper.

Mr. Fortier: Your Department has had much more success, as you underline, in prosecuting trade combinations than in prosecuting mergers or monopolies?

Mr. Henry: Yes.

Mr. Fortier: Supposing it was brought to your attention that two large chains owning newspapers in Canada were entering into combinations to, let us say, unduly restrict rates charged for advertising.

The reason why I ask this question flows from the report of the Restrictive Trade Practices Commission, where they said:

"The question arises whether the person even when delivered of the monopoly in the field of advertising in newspapers falls within the Act."

I realize this is not a judicial pronouncement, but still we are faced with this particular statement.

Mr. Henry: Yes.

Mr. Fortier: But supposing chain X in city A agreed with chain Y in the same city, "We will charge this rate for advertising" and the same two chains in another city will say "Well, let us stop competing; let us charge the same rate"; would this be an offence under the Act, in your opinion?

Mr. Henry: Well, I would think probably not, because advertising as a subject matter is what we call a pure service. And therefore to look for enforcement of the Act against a conspiracy to limit the price you pay for advertising would, I think, be outside our jurisdiction.

Mr. Fortier: I am driven to ask you for a legal opinion at this stage.

Mr. Henry: Yes.

Mr. Fortier: How do you reconcile that statement, which is lifted from the report of the Commission in the Sudbury case, with the report of the Commission in the Pacific Press case where they said, in their conclusions, page 178:

"In the proceedings for such an order"... you will recall the order which was referred to?

Mr. Henry: Yes.

Mr. Fortier:

"... a review could be made of the situation with respect to the requirement

that general advertising must be placed in both papers, which requirement would consider operates to the detriment of anyone who "desires to place an advertisement in only one paper."

Mr. Henry: Yes.

Mr. Fortier: This appeared here to be trade practice which was detrimental to the public and which the Commission felt should pass judgment upon, where you do not.

Mr. Henry: Oh, yes. Well, there are two things to be said about that. First of all, the Restrictive Trade Practices Commission is not limited in making its comments to making comments only about offences. I am limited starting an inquiry to determining whether we have "reason to believe"—and I put the phrase in quotes "reason to believe", which is a matter of judgment made on objective grounds—that there is or is likely to be an offence. But the Restrictive Trade Practices Commission under the Act is only required to make comments about the effect of matters brought out in the evidence on the public interest.

Now, they are perfectly at liberty to talk about something which is not covered by the Act. And indeed it is contemplated that in their reports (and this is one of the values of their reports) they may very well say "Here is a situation which is not covered by legislation but in our judgment it is detrimental to the public." This should spur the Government, if they pay attention to that, to change the law.

Now, in the Vancouver newspaper case, of course, we had the combined advertising rate which was there regarded as detrimental to the public. We were in the rather unfortunate position that the companies abandoned the rate or the company, which had then become the owner of the two newspapers under the arrangement made there, abandoned the national advertising combined rate by the time we came to complete the enforcement.

I was in some difficulty to know what to do if we had to go to court with this. And I think I can tell you quite frankly I would put the matter before the court on the theory that this might be regarded as an exercise of monopoly power. But, you see, we would have gone into that case.

Mr. Fortier: It would have been one of the elements?

Mr. Henry: One of the elements—exercise of monopoly power. If I could persuade the court that in exercising your monopoly power, if part of the activity means you place some restraint on a service like advertising—possibly because you are selling an article, but you place some restraint on advertising through a monopolistic control that you have, the court might look at it. And in that case it could be a sort of a breakthrough.

Now, you might ask the same question about a conspiracy. All I can tell you is, if a conspiracy only dealt with advertising, I could not feel that I could investigate that.

The Chairman: You would not?

Mr. Henry: No.

Mr. Fortier: Who could—which agency in Canada?

Mr. Henry: I don't think anybody could in the field of newspapers. Of course, the CRTC can—probably could.

Senator Prowse: Couldn't Justice do it one under the conspiracy sections? It is not a conspiracy merely to do an illegal thing.

Mr. Henry: No. The point there, Senator, is that all the law on combines here—well, the common law—Common law still exists, but I do not think that the common law principles held down at the beginning of the century, or the end of the last century—the Northern Bell case and so forth—would likely catch that kind of thing, because it would probably be regarded as for the protection of the conspiring parties.

Under the old common law this was regarded as an important factor. As long as you were not doing what was called “other detriment to the public” or “other real detriment to another business”...

Senator Prowse: A legal thing in an illegal way, or an illegal thing in a legal way?

Mr. Henry: Yes, that is right. So for practical purposes we look at our Act. And of course it is the Act that I am in the business of enforcing.

I am not sure if that entirely answers your question.

Mr. Fortier: It does, Mr. Henry.

In the Vancouver case I have one other question which came to mind. When F. P. purchased the Cromie interest in Pacific Press did they clear it with the Department?

Mr. Henry: They informed us about it, yes. They, of course, knew about the agreement—the agreement that I mentioned in the paper here—which in essence, from our standpoint, maintained editorial independence.

Now, we could not see at that time that the change of ownership would alter that agreement in any way. If it did, of course, the counsel for the companies, for all parties, had given me an undertaking, which is in one of my annual reports, that this change would not take place without my being notified. And I have never been notified of any change.

In the absence of any complaints about the matter—which I would expect to be made if there was a change—I would rely on the integrity of counsel concerned to inform me.

Mr. Fortier: Is it your opinion that agency agreements as F. P. Publications referred to, such as this agreement in Vancouver—are they a good thing within the newspaper industry; this type of agency agreement between large chains as exists in Vancouver; you know, one publishing company, editorial independence but one publishing company publishing two newspapers.

Mr. Henry: Yes.

Mr. Fortier: Two editorial boards, editorial independence?

Mr. Henry: Yes.

Mr. Fortier: Is this what we are coming to in Canada? Is this to be encouraged?

Mr. Henry: Well, whether we are coming to it or not, I don't regard it as a good thing (which is the question you asked me) because certainly in economic experience and in the business in which there is common ownership, while outwardly it may appear to bring reasonable competition, does not in fact, when the chips are down. And that is, of course, when you want to look at it, it is when the chips are down, when things start to go wrong, that it becomes important.

A common owner has too many temptations in this world, if competition is getting rough between his two organs, to allow it to continue.

I put in the small paper, I think it was, at one point that the other thing that has to be looked at is this. You may have what you might call a “benevolent dictator” in the media field today who is carrying on a very good performance of maintaining editorial independence among his newspapers, or

television, radio stations, whatever they may be. It is probably good for his business in most cases. But he, of course, is philosophically inclined to do that.

But what will happen when he in due course sells out, or his estate sells out, to someone else? The philosophy of the new owner may be quite different.

Mr. Fortier: And the power is still there?

Mr. Henry: The power is still there. That is the important thing: the power is still there. And the editor, of course, either goes, if that changes—Now, we don't know and I don't know what pressures editors are subject to. No doubt if it become important to know the editors will tell me that, or tell you that, one would hope, because we tend to consider our editors men of integrity.

Now, what is the editor to do? He is told by the common owner "You have got to push a certain line." Well, he has to make up his mind. He either goes along with that, or he resigns.

Well, this is one reason why I think that we should be bringing people along in this field who are top flight editorial material. Hence my little question whether or not you can do something like that by incentives and scholarships and so forth. It is all directed towards that.

But, as you correctly say, the power is there. And of course it is the power—that is the thing which one should be concerned about, not the fact that the power at the moment is being exercised responsibly.

Mr. Fortier: Yes. This is what you have not been able to get across to the courts in the beer and the sugar cases?

Mr. Henry: Yes. And I could not get this across to the Restrictive Trade Practices Commission in the Lakehead case. But I still think we were right. I still think our forecast that the two cities would likely merge and the matter would become a problem was right. And I feel that it might have been better if that merger had not taken place.

But I am talking now only, not because I lost the case, so to speak, but because I think that was right, and we took the right ground, and the Commission did not agree with us. That is all right. That is the way the system works.

Mr. Fortier: In your judgment now, in view of the fact Fort William and Port Arthur

have become Thunder Bay, do you feel impelled to review the situation?

Mr. Henry: No, because we now have the merger which has taken place a number of years ago. I feel a little reluctant to open something up which I did not pursue at the time—pursue to the courts, that is. I took the case. I took the inquiry. The thing was done properly from my standpoint. We made a point; that is what I am getting at. But we would not want to open that again unless developed that there was an abuse of the monopoly situation there.

If that did develop, then I would go in, just the same as I did in the Sudbury case. Because that was regarded by us as abuse of monopoly on the surface.

It turned out to be perhaps not as important as it might have seemed. But it would be an example of abuse of monopoly. That is where a newcomer was going along and the monopolist took what appeared to be steps to drive out the newcomer so as to preserve his monopoly position. That is the sort of thing we want to attack.

The Chairman: I want to remind the members of the Committee that we have another witness this morning. I am therefore going to turn, Mr. Fortier...

Mr. Fortier: I will pass.

The Chairman: ...to the Senators to see if they have any additional questions.

Mr. Henry informed me before the hearing began this morning he would be willing to return to another session. And it may be that we would like to ask him back. Meanwhile, mindful of the fact there is another witness, are there other questions for Mr. Henry?

Senator Prowse?

Senator Prowse: I have one or two.

If I gather correctly, on the Beer case that was decided with 60%, or whatever it was, they had, that this did not represent a sufficient degree of concentration to make it an offence, an abuse under the Act.

Now, suppose a theoretical situation that with the 60%—let us put up to 70% which probably still would get the same answer from the court on that area.

Senator Beaubien: Sixty percent only in one province now. Over Canada it is 48

Mr. Henry: Forty-eight or fifty, that is correct, yes.

Senator Prowse: I am not after the brew-ery. I am not even remembering their name. I am just getting a theoretical question to examine the Act, is what I want to find out, is how the damned thing works, if it does.

Let us suppose a situation where you have got 75 % in Ontario, and the situation with that would be that ordinarily a beer parlour would run out of other brands of beer by, say, 4 o'clock in the afternoon, so that there would only be company X's brands available.

Suppose that in going further, if we will assume—I don't know what the figures are for beer, but let us assume the ordinary alcoholic content for beer is 7 % alcohol, and what you found, after this had happened, company X's brand was all 5 % alcohol. Would that other item then give you a chance to come in under either predatory pricing or something else there—it would not be predatory pricing, but one of the other sections of the various prohibitions?

Mr. Henry: I am not quite sure I understand that situation. You mean...

Senator Prowse: The company has now reduced the alcoholic content of the beer so the public was getting something less than it looked like they were getting.

Mr. Henry: Yes. That then becomes a different matter.

Are you suggesting the public are having the 5 % beer sold to them without being aware of it?

Senator Prowse: Yes.

Mr. Henry: This becomes a species of fraud.

Senator Prowse: Well, nobody tells you how much alcohol is in their beer do they?

Mr. Henry: No. In that case I simply say it is a different quality product. Talking about the Act—whether this breaches some other regulation is a different matter. I mean, the regulations of the Ontario Liquor Commission and the liquor boards across the country may have a bearing on this. I rule all that out. But from the standpoint of our Act this is a lower quality product which is being sold at perhaps the same price.

Now, what the law says is, first of all, that it must not be falsely advertised, which does have something to do with our Act. Secondly, it says that as long as the public is free to choose and knows what it is they

are getting through being told the proper story about it, the fact that somebody decides to sell a lower quality product does not have any real implication at all. It is just a form of competition. If the public want to buy it, they buy it. Some people may like that.

Senator Prowse: What would be the situation where a patent medicine company has been selling a certain type of product for a number of years under a certain symbol or a trade name which has become recognized. I don't want to identify it at the moment, but let us say it was product X, and it was called product X. And, having brought product X by that name over a period of time, I had believed that it had a certain commodity in it. I will go so far as to say it had one-eighth of a grain of codeine in it along with aspirin, the product I am interested in at the moment.

And then I go down to the store and buy the same product X in a slightly different packaging but still described as product X, at what looks to me like a hell of a good price for product X—but I have found I can get similar things at different prices in different drugstores. And then I get home and get my glasses on and read it through, and see it no longer has the codeine. And I am particularly interested in the cough suppression effects of the codeine that is in this thing as much as anything else.

What would you think that would be?

Mr. Henry: Well, was this clearly marked on the package? Was it smaller...

Senator Prowse: Product X is two inches high, and the other stuff is in—six point type is small; this is about three point, I would say.

Mr. Henry: Well, Senator, you are into a different field here.

The Chairman: He is into a different committee!

Mr. Henry: But he has a point here. There are two things about it. One is that our Act would only apply to that to the extent that it might be said that the advertising was misleading. If you put that up, we would certainly look at it.

But I think it is of more importance to take a look at the Food and Drug Act regulations, because that is where this thing lies. The Act and regulations will require certain ingredients to be on that package, unless it is a proprietary article, in which case the formula

is secret, under the Patent and Proprietary Medicines Act.

So, you see, you are not dealing really directly with a competition matter here. You are dealing with something which may be partly the concern of the administration of the Food and Drug Act which regulates this kind of thing and requires certain information to be on the package. The other aspect of it would involve us, if that were a misleading statement on the package.

The third thing that may be involved; that is the trade mark. I am not sure you are saying somebody else is using the trade mark.

Senator Prowse: It is the same guy.

Mr. Henry: If it is the same fellow, all right, we will leave the Trademark Act out. But you realize, if somebody else tries to use the trademark, then we are into a private matter between the infringer and the owner of the trade mark.

All right, the short answer is—and now I speak as someone having some responsibility in the Department for consumer matters—it is obvious in a situation like that we should take proper steps to see that the labelling is clear.

It is a matter of labelling. And there is already law about that when you have codeine involved, because this must be disclosed, as I understand it, on the face of the package. If you do not see it on there, it is presumably not going to have it.

Senator Prowse: I won't waste the time of the Committee or your time.

The Chairman: I was just going to suggest we...

Senator Prowse: I anticipate the Chairman. But I do have a question that I think is relevant here.

I gather then, if I understand—and I think it was quite clear from your statement—that you cannot move into any combination or merger or prevent a merger unless you can show that there is an abuse. Is that correct?

Mr. Henry: Not quite, Senator. That would be the case with the monopoly.

Senator Prowse: I see.

Mr. Henry: With monopoly—because a monopoly per se is not necessarily illegal. It is an abuse of the monopoly that is illegal. In

the merger it is the limitation of competition that is the test.

And the real debate that has taken place between ourselves and the courts in effect has been how much competition has to be eliminated before the Act can be invoked by the courts, or will be invoked by the courts?

Now, the experience thus far has indicated that the courts will tolerate a very severe elimination of competition through the merger route before they will move to strike down a merger.

In fact we have never yet got them to strike down a merger except, I suppose, in the ERCO case, which was decided only last week. It is as current as that. And a merger was only one aspect of the matter.

We proceeded against Electric Reduction Company of Canada Limited. I made a very quick reference to it in the paper here. It was not fundamentally a merger case. It was fundamentally a monopoly case.

But the point is that the company has pleaded guilty to all the charges, including the merger charge, indicating that counsel at least must have advised the companies that they did not have too sound a footing on the merger situation.

That is a very highly concentrated industry, very highly indeed. And it does not take very much to change the pattern of what we have just suggested the courts have laid down.

But in the case of the merger, Senator, it is the effect on competition that is the key to the thing.

Another way we put it is that what you must look at in a merger case is how much competition remains after the merger.

Now, if none remains, then we will unquestionably move in no matter what the industry is.

Senator Prowse: Let us take the newspaper monopoly situation that exists with the newspaper—one newspaper in the small community, and even an isolated community. Let us suppose it has a circulation of 10,000.

Mr. Henry: Yes.

Senator Prowse: And I am very unhappy because I think they are not covering the town council or the city council with the degree of diligence that I think they should be.

So I proceed then to put out a mimeographed sheet which I can get out quite

cheaply. And I don't propose to stay in business, but I do this because I am an interested citizen, complaining bitterly. And as a result of that the thing goes to you.

As I understand from the decisions to date, the very fact that I was able to get out the mimeographed sheet to complain and distribute it to the public—say I put out 2500 of them—this destroys my whole case, does it not?

Mr. Henry: Yes. I am not quite sure why it would come to me in those circumstances.

Senator Prowse: Well, it is referred to you. I get six good men and true...

Mr. Henry: By the existing publisher?

Senator Prowse: I get six good men and true to complain to you that this other fellow has a monopoly. This is one of the complaints.

Mr. Henry: Yes. The point is, I would have some ground to move in if you started to get out your competing news sheet and you found he came around and bought it all up or something.

Senator Prowse: No. I get out the sheet just to complain about the fact he is not giving any service.

Mr. Henry: Well, then, in that case you are simply complaining about the monopolist and its conduct.

Senator Prowse: This would not constitute sufficient competition?

Mr. Henry: No. But this is a one-shot effort, if not, you are talking about?

Senator Prowse: Well...

Mr. Henry: You could hire a hall and say the same thing.

Senator Prowse: No. I get these things out and decide I am going to keep putting these things out.

Mr. Henry: That is fine. Then you are running a small newspaper.

Senator Prowse: Depending on how long I read it.

Mr. Henry: Right. If you are able to do this.

Senator Prowse: I have created the competition.

Mr. Henry: I would only become concerned... Certainly I would read your news sheet to see what you have to tell us, because maybe you have something there we could put our finger on. I would always do that. Because the important thing is, first of all, to get the story.

We get all sorts of stories from the press themselves. You would be surprised. I mean, you figure for yourself. We read the press to see if anything comes out of the news items or even commentaries which will deal with a monopolistic situation and put the finger on something which may be of significance to us.

If you are able to publish this document, then we will say all right, more power to you, because you are running a little bit of competition for the local newspaper. And that is what we like to see happen. Because you can then expand that to presenting different points of view. And you can fill in the gaps that the local newspaper who has the monopoly do not touch.

Senator Prowse: Maybe I could do it for three months in order to get something going, but I am not sure I want to get into the business forever.

Mr. Henry: No. That comes back to the economies of the newspaper industry. As I have indicated in the paper, it is very difficult to get into the field because the risk is great, there are very high economies to be achieved from scale.

If it is a large circulation area, the bigger the circulation, the more you can achieve economies of scale. And therefore it means in effect where you have a very large newspaper with a very large circulation it takes a great deal of capital to be able to get in there and match it, because you can only produce at the same cost as he does if you produce on that scale.

The result is people don't go in. And what we can see happening is newspapers changing hands rather than new one entering the field.

Senator Prowse: I was under the impression, listening to you earlier, that you could not move at all unless there was an abuse, but in the merger situation you can move to stop a situation which, in your opinion, or the opinion of the final court (if it went to court) could result in an abuse. Do you have that authority today?

Mr. Henry: Well, the abuse being the limitation of competition, if you want to put it that way.

Senator Prowse: It has to be unduly restrictive?

Mr. Henry: Yes. I used the word "abuse" only in connection with monopoly.

Senator Prowse: Oh, I see.

Mr. Henry: Yes. The test for merger I said was a limitation of competition, or—the other side of the coin—how much competition remains? That is the test for merger.

Senator Prowse: How much difference is there—without opening it in a general way—between the rather rounded teeth in this Act and the provisions of the American anti-combines legislation?

Mr. Henry: Ah, yes. Well, our law, which, incidentally, was enacted—our basic law (that is, the conspiracy law) was enacted one year before the Sherman Act in the United States; is basically the same, is fundamentally the same. There is some slightly different parts here and there, but as far as the conspiracies are concerned that is just about the same. The philosophies are the same, and so on.

And as far as the mergers are concerned, we are at a disadvantage vis-à-vis the United States. They were in the same position that we are now in up to...

Mr. Davidson: 1950.

Mr. Henry: 1950, but before that, though—1916, I think. I have forgotten the date.

They had criminal law. They used the Sherman Act in attacking mergers, which is a criminal statute. But then they found they were not getting successful enforcement of that in merger situations, for what I assume to be much the same reasons as we have experienced, that it is very difficult to ask a court in dealing with an indictable offence to find a person guilty on the basis of conflicting views of economic experts who analyse a situation. So much is a question of judgment, you see. And then the reasonable doubt creeps in.

But they enacted Section 7 of the Clayton Act back around the time of the first war, which made this a civil offence. It was in addition to the Sherman Act, which remains.

Under the Clayton Act it is now possible on the basis of a civil proceeding to attack a merger. And that has been much more successful.

Then they made a further amendment to it in about 1950, which has given them the teeth they need now.

The result is, to put the matter briefly, the difference between civil law and criminal law. And we still have criminal law. They have departed from criminal law—or provided themselves with an additional tool in the form of civil law. And as a result they have been able to attack mergers and concentration in its insipidity, as they say; that is, at a very low degree of concentration which they forecast will increase unless something is done.

So at a time when it is still possible to do something they will strike a merger down.

And this has been a matter of some concern to business people in the United States because of the successes that the administration in the Department of Justice there has had in attacking mergers at an early stage of concentration.

Senator Prowse: And our limitation flows out of 91 and 92 of the B.N.A. Act?

Mr. Henry: Yes, that is right. And then the matter of technique too.

But the Economic Council has recommended, as certainly the Minister of Justice did a number of years ago in public statements, that what we need is to get civil techniques into our Act, or quasi-civil techniques that is, away from the need to prosecute and prove your case beyond a reasonable doubt.

How we are able to do this, I am not too sure. We now have the support of the Economic Council as well as a number of ministers.

Mr. Basford, who is, of course, the Minister responsible now, has indicated that this will have to be very seriously considered. So how we do this constitutionally remains to be seen.

But this is a matter that we are now working on.

Senator Prowse: The thing you really need is a good sympathetic court.

Mr. Henry: Well, that is right. That, Senator, is a very important statement.

The Chairman: Perhaps that might be a good note on which we can terminate this hearing. I apologize to the Senators.

You have one question, Senator McElman?

Senator McElman: I have two.

The Chairman: Are they short questions?

Senator McElman: Yes, on the basis of what has just been said.

The Chairman: Fine.

Senator McElman: Which law was used in the States to stop the merger, or the acquisition by I.T.T. of the A.B.C. Network? Was it civil, or criminal? The Justice Department finally moved in.

Mr. Henry: I think that was the Clayton Act, Senator. But if I am wrong about that I will send in a note about that. I am positive it was.

Mr. Fortier: It was.

Senator McElman: The Federal Communications Commission had failed to prevent it; then Justice moved in. But I was just wondering which area.

Mr. Henry: Of course, one has to say in the same breath that there is another difference here. In the United States, where you have a regulatory agency such as the F.C.C., which has initial authority to look at a thing like that, the Department of Justice in the United States have felt free to invoke the antitrust laws if they do not agree with the decision that has been made by the F.C.C. in that case, or whatever it may be.

Now, here, you see, we normally would not regard ourselves as free to challenge a decision made by the C.R.T.C., shall we say.

Now, I have not highlighted this but you do understand that as the Combines Act does not apply to pure services, I would have no business, even in the absence of the C.R.T.C. entering the field of a merger between two radio stations, or the acquisition of a radio or television station by a newspaper, because the newspaper is acquiring a service industry, you see; and that by itself does not let me go on.

But the C.R.T.C., of course, will do that. Now, under our form of government, with the parliamentary arrangements we have, the constitutional arrangements we have, it is not normal for one branch of the government to attack another, attack a decision made by another. It may be we will have to come to this sort of thing.

The nearest we have got at the moment is the new Canadian Transportation Act, where a provision was put in that a merger between two transportation companies—which, I think, as you know, under Section 20

must be referred to the Canadian Transportation Commission—under that provision...

They, incidentally, may say they object to the merger, or they may remain silent. They do not approve it actively. They simply may block it or remain silent—in other words, allow it to go through.

Section 20 requires the C.T.C. to notify me of every such merger. Now, that is in order to enable me to consider, first of all, the application of the Combines Act. In other words, I get direct notification, so I know it is going to take place.

The other thing is, of course, so that I can make representations, if I feel I should, to the C.T.C. on competition policy principles; draw to their attention—and this is the way the thing works in practice... We will look at each of these things and draw to their attention, if we think we should, an anti-competitive situation, or implications that may develop from this. And we work together in that way.

This, I think, is the key to the development of the relationship between ourselves and the C.R.T.C.—more close liaison.

But the Americans, in the case you cited, of course, through their Department of Justice could quite conceivably attack a merger of, say, a bank, which is cleared by the banking authorities—or the Federal Reserve Board, I suppose, clears the mergers in the States of banks, and attack that on anti-competition principles under the anti-trust laws. But we don't do that here.

Senator McElman: Secondly, could you briefly tell us what procedures you use? Let us say that you have decided there should be an inquiry, and, after you have done your initial work, you propose to make contact with the people who are the subject of the inquiry.

In normal situations, do you send them notice that you will be requiring certain information? Or do you send in a group of people who make contact with them directly?

What is the normal procedure?

Mr. Henry: Well, the normal practice is in a case where we consider a search to be necessary to move in without their knowing we are coming.

The very simple reason for that: people are tempted to remove evidence if they know we are coming.

Now, in a monopoly or merger situation that may not be so important.

You see, we have several techniques. The search is the one which normally you undertake where you have a conspiracy case. It is also undertaken in merger cases sometimes. But that is normally the first step.

We also have power to obtain information by return of information, in which case we send out a questionnaire and ask them to respond to that. That is another way of getting information which might come, say, from financial statements, the sort of thing which the company has in its records. And it is more appropriate to ask them to furnish it that way. So we do it both ways.

But in merger cases it has always been my policy to undertake a search either before or after any other communication takes place, because we have always found on the basis of experience it is best to go and look for ourselves rather than ask them to provide documents for us, simply because we then have control of the situation—or have a little bit better control of the situation.

But both techniques are used, and both can be used at the same time.

Senator McElman: That is normal?

Mr. Henry: And indeed it is quite normal to start with a search. That is a usual practice, to start with a search, in which case we pick up documentary evidence. That is very important in conspiracy cases.

Then we will follow by getting background information of one kind or another about, you know, volume of product, volume of sales in various territories, what the markets are, who the distributors are, things like that. This can be easily obtained from the records of the company; we ask them to put in a return.

The third method, which almost invariably takes place, is to call witnesses. Once we have the documents and the basic data—financial and other data about the company—then we will almost inevitably call witnesses. And we will ask them to explain this situation or that. This sometimes gives them an opportunity to correct an impression.

We are only concerned about getting information. All we want is facts. And it often turns out that the facts, once they are on the record, indicate to us there is no longer evidence of an offence. Hence we have a larger number of discontinued inquiries. If I don't think there is an offence, I stop the inquiry, because I should not be pushing the people around any more.

Senator McElman: But you don't break down doors or destroy things in the course of that?

Mr. Henry: We try not to certainly. No. I go in with a formal order.

The Chairman: Well, Mr. Henry, it is apparent from the questioning this morning and it is apparent from the fact that the Senators still have questions that we perhaps would like to have you come back.

I have some questions myself. For example, I would like to have you discuss the failing Newspapers Act in the United States, the implications and so on.

I sense the other Senators have questions. So we will accept your offer of a return engagement.

For this morning I will simply say thank you, and thank the members of your staff for coming. We are grateful for having had you here. Thank you for staying overtime.

Honourable Senators, I am going to adjourn the Committee for five minutes. We will reconvene at noon, 12 o'clock, in about six minutes, to receive the brief from the Canadian Home and School and Parent-Teacher Federation.

—Short adjournment.

(Upon resuming at 12 noon)

The Chairman: Honourable Senators, we are now going to receive a brief from Dr. Edgar D. Gillespie, who is the Chairman of the Audio-Visual Committee of the Canadian Home and School and Parent-Teacher Federation (Incorporated).

I should perhaps begin by apologizing to Dr. Gillespie. Several of us have done this privately, and I am delighted now to do so publicly.

Apparently he was under the impression—and I must say it is the exception to the rule when our staff become confused; and I really mean that; they do an excellent job—but apparently Dr. Gillespie was under the impression that he was going to appear this morning at 10 o'clock. So we apologize to you. And we are sorry for the inconvenience.

Now, the brief which you forwarded to us more than three weeks in advance, as was requested, Dr. Gillespie, has been circulated to the members of the Committee. And it has been read and studied by them.

I would propose that you begin now with an oral statement in which you can, if you wish, summarize your brief; you can explain it, or expand upon it, and indeed say anything else you may wish to. And following your oral statement—which I suggest be no longer than 15 minutes—the Senators would like to question you on the things you say this morning, on the contents of your brief, and perhaps on other matters which concern them.

Thank you.

Dr. Edgar D. Gillespie, Chairman, Audio-Visual Committee, the Canadian Home and School and Parent-Teacher Federation (Incorporated): Thanks, Senator Davey.

First I would like to express commendation to the powers that be that set up such a study on the mass media. We in Home and School, I think especially appreciate the fact that this is being done. And in case sometimes you might be frustrated and unhappy for goodness sakes don't ever get the idea that in any sense it might be an exercise in futility, Mr. Chairman.

We feel that it is very valuable to undertake a study such as this. So we were very pleased to have the opportunity to present a few viewpoints to your Committee.

Because we knew that you would be getting many presentations from the viewpoint of control of the press and the problems outlined in the suggestions you sent out to all contributing organizations, we thought we might put most of our suggestions in an area where we thought you might not receive other ideas.

The brief to which you have just listened was based on law and interpretations of courts and this sort of thing. Ours on the other hand will be based on the area of ideas and ideals, social factors, and factors in our society affecting young people.

Our Home and School Association, of course, is the largest voluntary organization in Canada representing parents from coast to coast. And at provincial Federation meetings and at our national Federation meetings, year after year we have had expressions of concern about some aspects of the mass media, particularly in regard to television and educational television.

For that reason in our written brief our comments arose almost entirely out of things which have come to us nationally and provincially in the way of statements and briefs, resolutions, concerning the situation.

Behind it all is the belief that the mass media in its broadest sense, and educational television in particular, forms a tremendously important addition to what is happening to our young people.

I have expressed in the brief some of these ideas where we deplore the brutality and vulgarity et cetera in educational television and, as I indicated, we are no longer alone in representing these viewpoints. It seemed for quite some time we were the only voice being raised in which we tried to suggest that our young people deserved something better, in television in particular.

I noticed just on December the 14th, I believe it was, a note in the paper that the National Broadcasting Company in the United States has as their aim, better children's television. Have we seen anything like this expressed by the CBC or CTV? I don't ever remember seeing a positive statement such as this, for example.

I well remember an exchange of correspondence with the President of the CTV network about three years ago where we sent in one of our resolutions deploring the amount of violence on television.

And in his reply to me he remarked "Well, of course we agree with this, but naturally we don't have any shows showing violence on our network."

I had a resolution from one of the provinces where—I don't think it was "Naked City", Mr. Chairman... The programme with Elliott Ness in it.

Senator Sparrow: "The Untouchables."

Dr. Gillespie: "The Untouchables," which was on at 8 o'clock, a prime viewing time for children, you see, on one of the stations.

So this has been a problem with us. And we are hoping as a result of viewpoints which are being expressed before your Committee that we can get some positive action in this regard.

I am not going to enlarge on very many ideas in the brief, but I would like to do that with three of them. And I hope that you will ask questions about other aspects of it.

The first is this: we have been trying for a long time to get some one in Canada interested in research as to what is happening—to what television is doing to children and youth.

We approached this first in 1960 in a very formal way by sending resolutions to the

Board of Broadcast Governors, as it was constituted at that time, and to the CBC.

We feel that in our homes across Canada we have opened the door to the T.V. set in our dining rooms, living rooms, recreation rooms, a tremendously important factor which affects the attitudes, moral values, and sets of values of our young people.

And, as I indicated there, it may be good; it may be bad. It may not be having any effect. But we would like to know.

And we by resolution asked the CBC at one time to devote one-tenth of one per cent of their budget to research in this area. This would amount to approximately \$60,000 at that time, which does not seem like very much. And I think you well know the way money is spent on research these days.

I have at hand here research on the types of lights there should be on the rear of cars—running lights, or brake lights. Just under \$1 million-nine hundred and, I don't see the figure here quickly, but just slightly under \$1 million was spent on this research. And we cannot even get \$5,000, \$10,000, \$30,000, in Canada to see what is happening in an area affecting the lives of our young people and our children.

I am suggesting that perhaps we will be able to do this. One of our recommendations to your Committee is that your researchers might initiate a study such as this, or that you might recommend that it be carried on by somebody else. It is just a matter of feeling that we need to know more about what is happening to our youth and young people.

We are not concerned about the type of programmes which are shown late at night. We are concerned about the type of programmes being shown during the times children are usually watching television.

A second thing, which is along the same line, that I wanted to mention, is that so many people say that there is no research showing that T.V. does affect our children.

A few years ago, 1962 or '63, I think it was, there was some research done by Dr. Bandura, who worked with Dr. Schram and his Committee on a book on what television is doing to our children. He carried out some research in which he set up stages of children seeing an adult, seeing other children, watching a film, and then a controlled group; four groups.

In each case there was a large doll and mallets and hammers and things such as this in the playroom. And the youngsters in the

three cases watched (a) an adult pounding this doll with a hammer and saying "Sock it to them", hitting them in the nose, and this sort of thing, and then (b) children doing it, who were older and were playing a part, and then (c) someone closer to their own age, there was also the controlled group, who did not see any of this.

The children were then put in a situation with the same materials. And they were then watched through one-way vision glass, for example, to see what happened.

Without exception the children attacked the dolls, showed aggressive behaviour similar to what happened in the television programmes.

This study says it does not necessarily follow that youngsters will do this; but later on when they are frustrated, that they will turn to this type of behaviour more easily.

So there is a considerable amount of information on this line.

I would like to just indicate some other research which was taken from the book "Poison for the Young" published in 1962.

This is stated in very extreme language trying to make a point, I am sure. And I did not include this in the brief as such. But they speak of much of television being a "course in crime."

It says:

"For the most part the children's hour in commercial television is a succession of fast-moving, exciting fantasy. It is extremely violent. Shootings and sluggings follow each other interminably. And more than half of the 100 hours when the survey was made are given over to this sort of thing.

In the 100 hours there were 12 murders, 16 major gunfights, 21 persons shot, 21 others in "violent incidents, 37 hand-to-hand fights, one back-slapping episode with a butcher knife, an attempted murder with a pitchfork, two stranglings, 15 sluggings, four people falling or being pushed over cliffs, two attempts to run people over with cars on the sidewalk, two mob scenes in which one of the men hangs the wrong man. There was generally a great deal of miscellaneous violence."

This was in 100 hours of watching T.V. programmes. This was in a certain section of the United States.

So I am submitting to you, gentlemen, that this is a problem with which we should

concerned. Concerned because there is a growing belief (if there really always has not been) that the way children learn is through the totality of their environment.

And to think that we can take such a dramatic effect on their lives as television and say "No, this does not affect them in their attitudes; this does not affect them in the way they think; this does not affect them in the way in which they are going to act" I think is utter nonsense. We cannot isolate one part of the environment when a youngster is learning in totality.

There is only one thing about it; and that is that the youngster soon gets the idea that much on television is phony. And I think this helps in the transaction. After all, this is where parents come in.

Parents can turn off the sets, and they can direct their viewing, of course, and all parents do this to some extent. But many children have the chance to watch television when parents are not there.

So we are submitting this is something over which we should express a great deal of concern and try to find out what actually is happening.

Well, now, this main idea of the necessity for research, necessity for some type of improvement in programmes is most important.

Mr. Chairman, I would like to add just a few other points briefly which I did not include in the general brief. And I can do this in about five minutes.

The Chairman: Fine. Go ahead, yes.

Dr. Gillespie: We may have given an indication here that we are in favour of censorship. I don't think our Home and School Associations across Canada are in favour of censorship as such. We would not want government controls. We would not want that kind of control.

As we indicate in the brief, we are interested in the networks themselves and the mass media in general strengthening their own sets of controls.

We are alarmed when we see another type of writing in the press. I will refer here to an article concerning a play put on television by CBS, which, according to this reviewer, really was a big step forward, where the dialogue of the play was very aggressive.

For example, one says "You are a bloody lousy creep." Still another says "You are a pig"—this kind of language.

We ask if this is a step forward. The answer, he says, it surely is.

The television code, or seal of good practice which has hitherto governed all U.S. television, has such sacred cow guidelines as these: "profanity, obscenity, smut and vulgarity are forbidden, even when likely to be understood only by part of the audience; respect is maintained for the sanctity of marriage and the value of the home; divorce is not treated casually as a solution for marital problems; illicit sexual relations are not treated as commendable; drunkenness should never be presented", and so on. He says all this nonsense has been swept away by our dear friends.

The Chairman: This is a review by Roy Shields in the December 7th, 1967 issue of the Toronto Star?

Dr. Gillespie: Yes.

It is this sort of thing which makes us wonder. Because who presents a different viewpoint in the mass media? Who does?

Now, we do not see something said contrary to that sort of thing; and this is what alarms us. We are not in favour of censorship, but we feel there should be a better presentation of both sides of issues.

Of course we know that through selection and editorial policy and biases and political viewpoints, political learnings of papers and this sort of thing—that through the very selection of news there is some censorship. We think this is as it should be. It is within reason.

It is not good when there is the type of censorship in which parts of a speech are mutilated or taken out of context, and something entirely different put in the press than what was originally there. We feel that in many cases the mass media are very irresponsible.

I suppose I should have said a positive statement first, that because of the tremendous responsibility that they have, we would praise them very highly. But on the other hand there is a tremendous amount of irresponsibility in the mass media.

I suppose you have heard what happens when T.V. cameras appear where there is a crowd or a mob scene about to start. I have had two people from CBC mention to me—one was doing some taping in the States where T.V. cameras were riding with one of the policemen in the mob, and nothing was happening. The television crew happened to mention this. And they said, "Oh, well, we will

have something happen for you so you can get something on film."

They stopped beside a group, got out, and lined them up against a wall and searched them and so on, to get something for the T.V. camera.

Twice I have heard T.V. and radio personnel on panels mentioning the same thing and saying how unfortunate it is that this sort of thing happens when lights are turned on and the cameras are there.

I would suggest perhaps that some of this irresponsibility might be knowing this is going to happen and still having the cameras there which might make the situation worse.

I think that the only other thing I will mention in this connection is our concern, similar to what I mentioned here, about somebody not raising a voice which would speak out for a level of life above what I might call the more undesirable ways in which man lives—and we all know that we do this—speaking out for virtue; speaking out for a concern for others; speaking out for a type of life which has some sets of values, has some aim in life.

It seems to us, as I judge from resolutions to Home and School, that our membership are concerned about this happening. We would like to somehow hope that sometimes we can have a better reporting of some of the finer things that happen in life rather than those having to do with violence, sadism, and that sort of thing.

I think this is one reason why there has developed a credibility gap today with the mass media and much of the public—the idea that you don't believe what you read in the newspapers because so often some of the things are not quite the full story—not necessarily done on purpose—but nevertheless it is a situation which we deplore.

Well, Mr. Chairman, I think that is all I will say at this point.

The Chairman: Thank you, Doctor. I think you have amplified the contents of your report.

I think Senator Sparrow is going to ask a question.

Senator Sparrow: I wonder if the Doctor could elaborate just a bit on your organization for us.

You refer in your brief to your membership of 200,000. One of the questions is, you refer to nine provinces; is this representative of both Catholic and Protestant groups? And I

am thinking particularly of provinces with separate school systems. Does your organization represent both?

Dr. Gillespie: In all provinces except the Province of Quebec. And the Province of Quebec has their own provincial federation for their schools.

We have a working relationship with them. We have invited them to sit in with us at our national meetings. But they do not formally belong to a national association.

Newfoundland does not have a provincial federation. I believe they only have three local associations, and there are not enough there yet to have a provincial federation.

National is just a federation of the provincial bodies.

Senator Sparrow: How do you finance your operation?

Dr. Gillespie: We assess ten cents per member from across Canada. The membership is paid provincially, and out of the membership in each province 10 cents per member is forwarded to national.

So thus as our membership drops, as it is doing, then our revenues are going down too. And we cannot conduct the type of studies and this sort of thing that we used to do ten or twelve years ago.

Senator Sparrow: Why is your membership dropping?

Dr. Gillespie: We would like to know. Alberta have made a study. British Columbia have made a study provincially. And their report said that all of the voluntary organizations in Canada are dropping; guides, boy scouts, all that sort of group and women's groups. And ours seems to be going along with the trend.

Senator Sparrow: You refer in your brief starting at the first page in the introduction that your organization has been involved with this new media (referring to T.V.) and "...convinced of its potential in education".

You state as well you have conducted several surveys in connection with educational television.

Would you elaborate more fully on how you have been involved in this media, how you have been "convinced of its potential in education"; and what surveys were undertaken, and the results of those surveys that you have done?

Dr. Gillespie: You want an example of them?

Senator Sparrow: Yes, and what they have shown.

First of all, how have you been involved? How do you mean that statement that you have been involved in T.V.?

Dr. Gillespie: Well, in three ways, and in particular one.

Until the Committee was reorganized just a year ago our Home and School Association was represented on the National Advisory Council to the CBC on school broadcasts. And for quite a number of years I had been the representative of Home and School on that committee.

We served a function of helping to set up the national telecasts for its educational telecasts for use in schools across Canada. We undertook to carry out surveys in each province of how many schools were using the programmes, and an evaluation of the programmes themselves.

In Saskatchewan, where I looked after two specific ones, we evaluated the programmes from the viewpoints of the children in the school, through the assistance of the teachers. And then we encouraged parents to view by circulating complete programmes of broadcasts to all Home and School Associations in the province.

The parents set up listening groups, and we had a special form for their use in evaluating the programmes.

I think that was the most fruitful way in which we were involved in this.

Another way in which we assisted—you know, many of the school boards in the early days were not in favour of putting television sets into the schools because they were afraid they were not being used.

So many of the Home and School Associations provided sets for schools, arranged for them to go into the schools so that the programmes could be viewed by the pupils.

Another way in which we assisted—well, I mentioned it first and I don't want to emphasize it again—was the matter of our contribution on this National Advisory Council, where we thought it important that the viewpoints of parents should be heard when programmes were being planned for across Canada.

Is that sufficient?

Senator Sparrow: I think so, yes.

You refer again in your remarks as well as in your paper to brutality, vulgarity, sex and violence. And you referred to at least two papers of some description. Whether they were really studies or not, I don't know. One you referred to was Dr. Bandura's research in "Poison for the Young."

It seems to be a matter of opinion whether violence on T.V. and so on is in fact as detrimental as you might indicate in your paper. Are you convinced, and is your Association convinced of the fact that it is detrimental to the minds of the young? And have you as an organization through studies in Canada in any way backed up this statement in your paper?

Dr. Gillespie: Well, in essence the answer is—well, first, we have not done any studies. We have been accepting the studies which have come to us from other people.

Now, this is one of our main points of contention. We do not think this is good enough. We do not think that Canada should always be accepting studies done in Britain or the United States. We think that we should start to stand on our own feet and find out what is happening.

It is quite likely that the trends and patterns developed some place else would apply here. But at the present time all we can do is to go to other sources for this sort of study.

Now, secondly, I think it would be a fair statement to say that by and large parents are concerned that television can and may have an adverse effect on their children.

We would hasten to add very quickly that the young people who will be affected most adversely would be those with some problems of maladjustment.

But this is all the more important when we say this because never in the history of this country (and I am sure it must be of others) have we had so many maladjusted young people, as evidenced by what is happening in the drugs and the drug addiction, the alarming rate of juvenile delinquency, the rate, the tremendously rapid rise.

We would never say that these are directly a result of what they see on television. But we would say television must be having some effect, along with other things, on this. And we would like to know to what extent. This is why we are asking again for more research.

Senator Sparrow: As a federation are you not in a position to do this research yourself? Is it because of financing or is it not in your aims and objects as such? Why don't you do this research yourself?

Dr. Gillespie: Well, we could if we had the money. However, I said "We could", but we would have to hire someone who was a trained researcher to do it. This is not a job for amateurs to undertake, not the kind of job we would like to see done.

The Chairman: If I may, Senator—Dr. Gillespie, if I belong to the Parent-Teacher Association at the school in North York which my children attend, am I automatically a member of your federation?

Dr. Gillespie: You are if that local association has joined the Ontario provincial association.

The Chairman: What percentage of them do join the Ontario, in round figures?

Dr. Gillespie: Well, it used to be around 75 per cent.

The Chairman: Nationally—that is a rule of thumb?

Dr. Gillespie: Yes, that is a rule of thumb. But somehow in the last few years—and this is why our Association has weakened so much—so many local associations are saying "Well, why should we spend money outside of our own local schools? It is more important to spend it here."

So they are not supporting anything which the Provincial Federation of Home and School is trying to do.

The Chairman: But if 75 per cent, or even two-thirds, or 60 per cent of the local clubs in the schools across Canada belong to the organization, then would not the organization be ideally suited to conduct this very kind of research that you have in mind?

One of the big expenses involved in research, as I am sure you know, is drawing the sample. You have the sample right here. You could easily study a classroom in Toronto and Regina and Edmonton.

Would it not be a relatively simple thing for you to do this?

Dr. Gillespie: Yes. And we have in correspondence which we have had previously with the former Board of Broadcast Governors offered our services. But we did not have the money to do it.

The Chairman: I don't see it would take that much money. Why could you not do it?

Senator Prowse: Could they not do it voluntarily?

The Chairman: I don't see it would take that much money. Where would the cost be involved?

If I wanted to find out what a group of 12-year-old schoolchildren in Vancouver thought about something and contrast that, for example, with what a group of 12-year-old schoolchildren in Halifax thought about something, I would think the ideal person to go to get that information would be you.

Senator Sparrow: You are really the only people dealing directly with that group of people, the parents and the children.

The Chairman: I just think you are seen naturally to do this.

Dr. Gillespie: We considered we were for the surveys of how effective is television in the classroom; how it is being used in schools across Canada. And this is something that we have done, as I indicated before.

But to get into the realm of the influence of television on children as part of the community, influences which impinge on every youngster, then we have not felt that our organization had the skills to go into that.

The Chairman: Senator Sparrow?

Senator Sparrow: In referring again to the brutality, violence and so on on T.V., can you be specific in the type of programme that you are referring to—particular programmes, if you wish, that are giving this adverse effect that you were referring to?

I particularly ask this in regard to number of so-called informational programmes on sex and on drugs and so on that you do hear complaints from parents about although they are meant to be informational programmes.

But including those and any other types of programmes you might refer to.

Dr. Gillespie: We have not had one adverse criticism come to us about information programmes on sex or drugs or that sort of thing. If there has been a protest to the Provincial Federation, it has not been forwarded on to the national level.

So at the moment I can say we have just not had one.

The types of programmes that were criticized were the ones we mentioned a moment ago: "The Untouchables", and some of the films that were shown on television.

At the moment I cannot give the names of them because so often a resolution comes into being with just a general criticism of too many programmes showing the sort of violence that implicated in there—the beatings, and instead of just shooting a man once, then just standing and pumping bullets into him. This sort of thing is what riles.

Senator Prowse: But surely the other ones didn't hurt.

The Chairman: Do they object to cartoons, for example?

Dr. Gillespie: Yes, some of these that the CBC has been showing. We had verbal viewpoints on this at our last annual meeting.

The Chairman: Do you know which ones, Senator Sparrow has asked?

Dr. Gillespie: No. I don't watch them, and therefore I don't know. These are the Saturday morning ones, and I have not been free.

Senator Sparrow: It is difficult for us to try and analyze your recommendations without being able to review specific criticisms you might have. This is our problem.

The Chairman: Do they object to fighting in hockey games?

Dr. Gillespie: I have not heard it, if they do.

The Chairman: You have not heard them object to that?

Dr. Gillespie: No. I mean, I might object personally.

The Chairman: You have not heard them object because the kids watch hockey games?

Dr. Gillespie: I stopped doing to a series of junior hockey games because the game was spoiled as far as I was concerned by so much fighting, and this sort of thing. I like to watch skillful hockey. But this is a personal thing.

The Chairman: But you have not heard them?

Dr. Gillespie: I have not heard that, no. It is just the type of thing where they think the youngsters are getting a course in crime, watching how to do things, or watching people commit crimes. And this comes in various films, does it not, in various programmes?

The Chairman: What about live violence? What about the war in Vietnam? Or what

about the association of President Kennedy, which was shown over and over again. Or the assassination of Oswald, which was shown over and over again? Are they objecting to these things as well?

Dr. Gillespie: The only objection that I had in this connection was the report of the fact that when President Kennedy was killed that children in the classrooms cheered—that some children in some classrooms cheered.

Senator Sparrow: In the States or in Canada?

Dr. Gillespie: In the States.

Senator Prowse: This was presumably in Dallas. I only saw the story once, and I don't know that that was ever substantiated. It is supposed to have happened in the city of Dallas.

Dr. Gillespie: In the city of Dallas; this is right.

The Chairman: Have you received objections about the newscasts of the war in Vietnam?

Dr. Gillespie: No.

The Chairman: It is fictionalized violence mostly?

Dr. Gillespie: It is fictionalized violence which they complain about. No, I don't think that they would say that there should be a curtailment of reporting of the news where violence is involved?

Senator Prowse: Of course, "Jack and the Beanstalk" was pretty violent too, you know.

Dr. Gillespie: Oh, yes.

The Chairman: I beg your pardon?

Senator Prowse: "Jack and the Beanstalk" was pretty violent too.

Dr. Gillespie: But the fairytales...

The Chairman: Senator Sparrow has some more questions.

Senator Prowse: So are cartoons.

Dr. Gillespie: So are cartoons. And what about most of our fairytales?

We feel as long as the youngsters know they are fictional, it is not going to really affect them. It is where it appears to be real when they see it.

The Chairman: But you have made the point yourself in your comments that children are soon able to discern that it is fictional.

Senator Prowse: Isn't the reason we need research to find out whether this in fact does what you and I at our age think it may do, because this may not be the reason at all? And if we have come to a wrong conclusion because of a bad guess, this could be worse than the stuff itself.

Dr. Gillespie: Yes, this is right. I believe that they learn early to differentiate.

The story about the two 4-year-olds who were watching the television set and one said, "My daddy said he is going to have to get our set fixed."

And the other lad said, "Why? What is wrong?"

And he said, "I don't know, but maybe they are going to have to clean out all the dead cowboys in it."

The Chairman: Well, on that note, we will let Senator Sparrow finish with his questions.

Senator Sparrow: You refer in your brief to self-imposed controls only referring directly to the media themselves as far as standards of decency and so on are concerned.

Dr. Gillespie: Yes.

Senator Sparrow: And you refer to the alternative then that if they are not going to do it then there should be some regulatory body do it, such as government. Are you suggesting that?

You are not.

What type of regulatory body are you suggesting then if the media won't do it themselves?

Dr. Gillespie: I have just said it might come to that. We are not advocating it.

As you know, the networks in the United States after the assassination of President Kennedy decided on their own to reduce the amount of violence in their programmes. And I think this has been done.

I think there is far less violence on the American television networks these last two years than certainly previously. And I think they are using a self-regulatory code here in regard to violence. And I think this is the way we would like to see it done.

I was just saying that it may be, if the networks don't do this, that there might arise an attempt—not that we want to do it.

And we would not like to see government censorship. I am sure of this from various meetings I have attended with our Association. But we are just saying that it might happen. And Mr. Honderich in the talk that he gave warned the meeting that he was speaking to, that they were really laying themselves open to this sort of thing unless they improved the quality of what was being done on the mass media.

The Chairman: Just to return to your other statement: there is far less violence on American television now than two years ago—can it be possible that there is far less violence on American television now than two years ago but that is not equally true in Canada?

Dr. Gillespie: I believe that it is also true in Canada, that there is less.

Senator Sparrow: Because of American programmes?

Dr. Gillespie: No. Well, I suppose a large part of what we had here before was the American programmes which came in on our networks; and to that extent, yes. But I really believe that our two Canadian networks now are more conscious of this.

Senator Sparrow: I just have a couple more questions and then I will pass it on.

The Chairman: Fine.

Senator Sparrow: On page 6 number 5 you refer to the fact "that government financial assistance be made available for the expansion of educational facilities at all levels."

What are you referring to here? Are you talking generally education? Or what are you specifically suggesting?

Dr. Gillespie: This was educational television I was talking about there—ETV.

Senator Sparrow: Right. Okay.

Dr. Gillespie: We were concerned there that the Federal government in Canada as opposed to, say, the Federal government in the United States has really done very little to help establish educational facilities in our country. Really about the only thing which has been done (I guess it is the only thing) is that every time they set up the school broadcast branch of the CBC. And they have done a tremendous job. And I would hope that any other television enterprise does as good a job as the CBC did in those telecasts.

But there are far too few of them. And those were not used, chiefly because of administrative details of timetabling. When the programme comes on at 10 o'clock, if it is at math and your math break is at 10 o'clock, what do the teachers do? They don't catch it.

I know that when the video tape recorders come out, the VTR's and the new EVR's, the electronic video recorders come out, this will make a difference. But this equipment is costly. And I think that it is a way in which the Federal Government could contribute—we will call it "Federal aid to education"—on a national basis which would not in any way interfere with the provincial prerogatives in education.

So we are suggesting here that money is needed for more fully developing educational television across Canada. And it could be a logical contribution from federal funds, not commercial at all.

The Chairman: Senator Prowse?

Senator Prowse: Well, isn't the money that is needed in ETV for programme production, which is tremendously expensive? This is where you really need the money, is it not?

Dr. Gillespie: Well, in the past as you may know, the arrangement with the CBC has been that the CBC provides the facilities, the personnel, the directors, the cameramen, the studios; and the provincial governments, the departments of education, provincially have provided the material, the sets, the teachers, and this sort of thing. And there has been a division in each province whether it has been done provincially or regionally. And this has worked out quite well.

But with the impending withdrawal of the CBC from school broadcasting entirely...

Senator Prowse: You need somebody to take up that slack; that is what you are talking about there?

Dr. Gillespie: Yes, that is what I am talking about.

Senator Prowse: Another thing is this: your membership is 200,000?

Dr. Gillespie: Approximately, yes.

Senator Prowse: How many parents with children of school age would there be in Canada, roughly? Do you know how many children there are in schools?

Dr. Gillespie: No. It is so long since I have seen the figure.

Senator Prowse: I have been making a small estimate and trying to make a guess here. And there must be about 10,000,000. About half of our population must be in that area.

Dr. Gillespie: It would be less than that.

Senator Prowse: May be not. May be it is 25 per cent, let us say. So that gives us 5,000,000. And with an average family of two point something, this would be, say, two in school. So there would be two and a half million parents at least in Canada.

Dr. Gillespie: Yes.

Senator Prowse: And only 200,000 of them in an organization which is supposed to bridge the gap between the home and the school.

Dr. Gillespie: Only in the organizations which are federated with our National Home and School.

Senator Prowse: Which would be roughly 75 per cent. So let us give you a better deal and take you up to 300,000. So we are getting about one parent in ten, in a rough way.

Dr. Gillespie: Yes.

Senator Prowse: Showing enough interest.

Dr. Gillespie: I would think most home and school associations do not have 50 per cent of the parents in the area interested enough to really support the home and school association.

Senator Prowse: I would say from the figures you give us that the average home and school association does not have 10 per cent of the parents in the organization. Period. Is that not pretty close? It must be close to it.

Dr. Gillespie: I would say, of course, there are the areas which don't affiliate, and they are 100 per cent there.

Senator Prowse: Yes.

Dr. Gillespie: Yes.

Senator Prowse: So that the parents themselves are not showing any interest?

Dr. Gillespie: They are not showing the sort of interest one would expect parents to show.

Senator Prowse: Which might be the reason the children presumably are getting...

The Chairman: I am not sure that is a fair conclusion. If you want to carry on, do so; I am not sure that is a fair conclusion, though.

Senator Prowse: All right. It is a thought anyway.

The Chairman: It is an indictment of all the parents of Canada who don't belong to the Parent-Teacher Federation. I think that is unfair.

Senator Prowse: I don't mind letting that indictment stand, Mr. Chairman. The Committee does not have to associate itself with it.

The Chairman: It is your indictment, not mine. Carry on.

Senator Prowse: You are interested in the media. Your whole proposal here is that you think this Committee should make a recommendation to the appropriate authorities regarding, one, the financing of proper ETV programmes; and, two, the provision of channels that will be available to people; that is, the VHF channels rather than the UHF, which are only on the newer sets.

Dr. Gillespie: Yes.

Senator Prowse: And that is substantially what you are saying to us today?

Dr. Gillespie: For this part of it, yes.

Senator Prowse: Yes. Okay, thank you.

The Chairman: I would just like to ask two questions. One, you say that—and I am quoting from your brief...

"In December, 1969, the Chairman of the United States Federal Communications Commission stated that obscenity on television may have to be controlled by Government action."

Dr. Gillespie: Yes.

The Chairman: Do you believe that in Canada obscenity on television should be controlled by government action?

Dr. Gillespie: Well, I would say that, if the situation arises where enough people were opposed to it, I would say yes.

Just as a personal feeling, I have not been too happy with the increase in profanity we have had on panels and this sort of thing in

the last two years. I would certainly hope it does not develop any more.

The Chairman: There is perhaps a difference between profanity and obscenity.

Dr. Gillespie: Well, yes. I was using profanity as an example.

The Chairman: Yes.

Dr. Gillespie: Now, what I referred to there was TV obscenity control—the threat of obscenity on television may have to be controlled by a special body.

The Chairman: Yes, but I am saying, do you think that is true in Canada?

Dr. Gillespie: Not the TV as I see it at the moment in Canada.

The Chairman: Is it a potential?

Dr. Gillespie: It is a potential, yes.

The Chairman: When they start showing "I am Curious (Yellow)" on the late show?

Dr. Gillespie: Yes. Well, if they showed it at a time it would ordinarily be viewed by children.

The Chairman: What if they showed it at 11 o'clock at night?

Dr. Gillespie: I don't think our association would say anything.

Senator Prowse: I was going to say I think obscenity is in two forms. One is what we normally obscene words which get into things, as opposed to profanity. The difference is, I think, well known to everybody.

Dr. Gillespie: Yes.

Senator Prowse: And then the obscenity is the type of shows that they might show.

Dr. Gillespie: Yes.

Senator Prowse: Which does that refer to, do you know? Are they thinking about something like film censors to TV programmes?

Dr. Gillespie: Yes, right—censorship to TV programmes, and the same with films. That is the reference there.

And of course we have the situation in Canada naturally of the censorship of films. But they are coming into television. I don't know how many of you have noticed recently we are getting shows at 8 o'clock,

Thursday and Friday evening, which formerly were restricted adult programmes in theatres.

The Chairman: You mean, movies?

Dr. Gillespie: Yes, movies which are shown.

The Chairman: Yes.

Dr. Gillespie: And I am sure at our next convention we will have resolutions in this connection, because it is a very recent development. Those until very recently were left until the late shows.

The Chairman: Dr. Gillespie, I would like to ask you one other question.

One thing about your brief which disappointed me (and perhaps you can express yourself on my disappointment) was that you tend to dismiss or not to pay particular attention to the influence of the print media, and particularly newspapers, on children.

One of the things which I find encouraging is one of the schools which certain of my children attend is that there are teachers here—this is in grade school—who are making a conscientious attempt to encourage the children to read the newspapers. I think that is a very healthy development.

I am curious why you tend to dismiss the influence of newspapers on children. Is this not something which should be encouraged?

Dr. Gillespie: I suppose we did because we have no quarrel with that; and we strongly commend this.

We are most happy with the way most schools now are using the newspapers in the school, not only in current events but as a background in individualized instruction which is going on in our schools more and more. And I would strongly support this.

The Chairman: You have made reference in your brief to the more permissive (if I may use that word) trend in the electronic media. Do you not discern the same permissiveness in the print media?

Dr. Gillespie: In other than the newspapers, yes. I don't think we quarrel with the newspapers as much. But certainly, well, the pornography—

Our Association in years past have tried to tackle this problem of, rather than stressing the negative, to stress the positive approach of providing better books, better libraries, to let what they might buy on the newsstands.

Our membership is concerned about the type of written material that is available. But on the other hand never in our history have we had so many good books for children as we now have.

The Chairman: I think Senator Sparrow has a question.

Senator Sparrow: Yes, and it follows through with this particular one.

Are you familiar with the subject of pornography addiction, or pornographic addiction, as such? And are you familiar with any of the studies on it?

The next question would be: do you think the Canadian TV programming is contributing to this?

I refer to this because there are studies being made and some of them refer to the fact that this addiction is every bit as dangerous and as important a subject as the other addictions we are concerned about.

Are you familiar with this?

Dr. Gillespie: I am not familiar with the studies, no. But I certainly would feel that there is an addiction there for certain types of youngsters. I would say I would not think it would be an addiction which I would say all children would be subjected to in the same way.

Senator Sparrow: Our programming is contributing, are you suggesting, to this?

Dr. Gillespie: I am suggesting if it continued excessively it would, yes.

The Chairman: Mr. Fortier?

Mr. Fortier: Thank you, Mr. Chairman.

Dr. Gillespie, I am perplexed here. As you have recognized, there is violence in the world; there is pornographic material; there is undue exploitation of sex in every day life.

Are you suggesting that we should insulate our Canadian children from reality, in your brief and in your verbal presentation?

Dr. Gillespie: No. We cannot do this. What we are suggesting is that we insulate them, separate them in their early years.

Mr. Fortier: Where would you draw the line?

Dr. Gillespie: I would think from most elementary school children, if we could.

Mr. Fortier: And how would you draw the line?

Dr. Gillespie: By first in commercial television programmes not having the type of film to which we object at the times they ordinarily view TV; secondly, making sure that we continue to have our films labelled in the theatres as they now are.

Mr. Fortier: Supposing I am a mature man and my work schedule is such that I like to see my films in the afternoon on television, or I like to see my programmes in the afternoon. Are you suggesting that I should be restricted in the choice of programmes which I may have because children may be turning on television at that particular hour?

Dr. Gillespie: Well, this is certainly the view of our Federation of Home and School.

Mr. Fortier: And when they reach a certain magic age let us expose them to life?

Dr. Gillespie: Well, it is not that simple, as you well know.

Mr. Fortier: You agree it is not that simple?

Dr. Gillespie: It is not that simple. What we want to do is reduce the quantity to which they are exposed just as much as we can. They will see all kinds of violence, and they will read stories involving violence.

Our concern is really based on the fact that, according to reports of people in mental health, psychiatrists, that we are having a problem and it will be increasingly difficult if we do not do a better job in helping in the emotional maturity of our young people. And we feel this is strongly associated with their maturing and growing up with positive emotional aspects of the growth.

Mr. Fortier: What do you think about this statement here—and I quote:

"The bulk of research concludes that TV by itself is not really a cause of crime or aggression. It may be a contributing factor but only in the case of a child who is already disturbed."

The Chairman: From where are you quoting?

Mr. Fortier: I am quoting from an article in Time Magazine, January 26th, 1968.

Dr. Gillespie: Yes. That is almost a direct quotation from two different studies that I know.

The question there is this matter of "disturbed", and to what extent. I think I suggest-

ed a little while ago that there is the feeling today that more and more youngsters are having a feeling of insecurity. Their emotional ties are not as strong as they used to be. And that therefore there are more people who are likely to be influenced by violence, sadism, whatever else one calls it, on television than there used to be.

Mr. Fortier: I wonder if that would not happen even without television.

Dr. Gillespie: It has always happened to some extent. But it is just the amount of this to which they are being subjected which worries us.

Mr. Fortier: The comic books of 15, 20 years ago, as I recall them, were just as prone to accentuating violence and crime as I believe the television programmes which you alluded to.

Dr. Gillespie: Yes. I think in every province we have had groups in Home and School and provincial federations go to the provincial government in regard to the types of comic books available and try to bring about some change.

So there is a concern for it, yes.

The Chairman: Mr. Fortier would be well advised to go to a local newsstand and buy some comic books and compare them to the comic books of 20 years ago. I think he might be surprised.

Mr. Fortier: Do you do that very often, Mr. Chairman?

The Chairman: I will take you over there in the afternoon.

Are there are other questions that the Senators have?

Senator McElman: Mr. Chairman, I think Dr. Gillespie referred to a weakening of emotional ties. Would it not be a weakening of family ties you are referring to?

Dr. Gillespie: Well, they are related very strongly. We are finding more and more youngsters in our schools who are trying to get their need for security, their need for affection and love, met in the school rather than in many of the homes. Strangely enough, this does not apply only to low socio-economic levels; it is applying in some of our good districts, high socio-economic level districts in some of our big cities.

Senator Beaubien: More mothers working

Dr. Gillespie: Or busy, or having maids look after the youngsters, taking them off to skating, to ballet, on the move all the time. And again it is hard to assess, but I know it exists, because of my visitations in schools and talking with teachers about problems.

Senator McElman: I am concerned with the falling off in your membership. Do you believe, or have you studied in any sense whether the trite phrase "generation gap" has anything to do with this—the generation gap of those at the upper levels in your Association, for instance, as between men and children of school age, the mind that can be imprinted upon?

Dr. Gillespie: No. I would say that about 30 per cent of it is the fact that associations are deciding not to affiliate with provincial federations and therefore with national.

Senator Davey mentioned a moment ago, I believe, or alluded to this idea that there is still a tremendous number of people, far more than our membership, who belong to so-called home and school associations, to parent groups; but they are not in our Federation.

But I am still firmly convinced that parents are very interested in their children, and by and large they do support what the school is doing. But they don't show up in our membership.

I know in one city that at the present time out of 42 associations (this was last year) only of them have joined our provincial federation. And this is one reason why our figures have been down.

But this does not mean there are not parents in Home and School Associations. They could not be using the term because we are incorporated, but they are still using it. They could be calling them "parent groups."

Senator McElman: The reason I asked about the generation gap, when you and I were growing up it was not only that the four-letter word was unacceptable in our then society, but the three-letter word "S-E-X" was not even used.

Dr. Gillespie: Yes.

Senator McElman: There is a great change in values. And I am, as Senator Sparrow obviously was, trying to find out what is the basis for the references to all of the dreadful things on television? What code? Where is the code? Is there a code for the young and a code for the medium age group and a code for the older? Who establishes the code?

For instance, could I suggest that perhaps your Association could be helpful to this inquiry if your Association at its national or federated level were to put together for us a suggested code of what would be proper and improper to be dealt with on television and in newspapers, and so on?

Could you undertake such a thing for us? This should not be too difficult. I think your opinion as a national organization would be useful to us.

Dr. Gillespie: Well, I presume it could be done.

Senator McElman: Would you undertake such?

Dr. Gillespie: I am wondering, are you asking for the opinions of our people, as what they think?

Senator McElman: What they believe should be in a code that could be recognized by the media. And be selective in the media—what you think should be in television, because you obviously feel this has the greatest impact on the clean slate of the young mind.

Dr. Gillespie: Yes.

Senator McElman: What should be in radio; what should be in the print; media.

You gave us a little story a while ago. Let me give you one to illustrate the difference. A little boy and a little girl were playing on the beach. They were from neighbouring families; they were not brother and sister. And quite innocently they decided to take off their bathing suits. And the little boy said "Wow, I didn't realize there was so much difference between a Catholic and a Protestant."

Now, you and I in our age group, we would have just said "Wow!"

Let us try to do something constructive. And perhaps you might even consider through your facilities running a survey at, let us say, the high school level—I am sure it could be done very cheaply—as to what the high school students believe should be embodied in a code of ethics for television separately, radio separately, print. Could you undertake such a thing for us?

Dr. Gillespie: I think this would be a very valuable thing to undertake.

Senator McElman: A sampling.

Dr. Gillespie: I would prefer this more than seeing what the parents want.

Senator McElman: Well, let us do both. Let us find out where society is moving.

Senator Prowse: The comparison might be interesting.

Senator McElman: Could you undertake it?

Dr. Gillespie: I will make a note of that and see if we can do that.

Senator McElman: Could you let us know?

Dr. Gillespie: Yes. I would be happy to furnish you with the results of it.

Senator McElman: Very good. Thank you.

The Chairman: Senator Beaubien?

Senator Beaubien: Dr. Gillespie, could you let us know what your total revenue of your national association was in 1960? Do you get any funds at all except those from membership?

Dr. Gillespie: Just from membership. I don't know. 1960 would have been more. But I believe all the money we had to work with last year was under \$20,000 because of this drop in membership at the national level.

Senator Beaubien: Under 20 for everything?

Dr. Gillespie: For everything.

Senator Beaubien: Would that be way down in 1960?

Dr. Gillespie: It would be more in 1960 because our membership then was about 350,000 at that time.

Senator Beaubien: So it would be \$35,000?

Dr. Gillespie: Yes, \$37,500 in 1960.

Senator Beaubien: And \$20,000 last year?

Dr. Gillespie: You see, we look at it this way. Some churches in our area have budgets much beyond that, and we have been trying to operate...

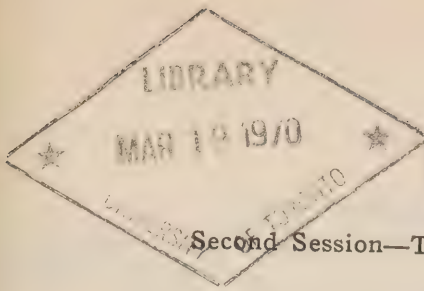
Now, you know, it is strange, but every provincial federation which has raised their fee—Ontario about six years ago raised their affiliation fee from 50 cents to a dollar to join the provincial federation, and the local associations who do not affiliate the next year dropped by half. Well, it was a 100 per cent change. Fifteen cents, the price of a package of cigarettes. We cannot understand it. But it has happened.

Senator Prowse: If a thing is too cheap it is not given any value.

Dr. Gillespie: Well, that must be.

The Chairman: Well, Dr. Gillespie, on behalf of the members of the Committee—certainly on my behalf—I thank you. Again apologize for the delay, but I think it has been a worth while discussion.

The Committee adjourned.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 10

WEDNESDAY, JANUARY 21, 1970

WITNESSES:

The London Free Press, CFPL Broadcasting Ltd.: Mr. Walter J. Blackburn, Chairman of CFPL Broadcasting Ltd.; President and Publisher, The London Free Press; Executive Vice-President, The London Free Press Holdings Ltd.; Mr. William Carradine, Vice-President and General Manager, The London Free Press; Mr. Murray Brown, President and General Manager, CFPL Broadcasting Ltd.; Mr. Ivor Williams, Managing Editor, The London Free Press; Mr. Beverly E. Lanning, Vice-President, Finance, The London Free Press; Mr. William Heine, Editor, The London Free Press.

The Brantford Expositor: Mr. J. C. Preston, President, Publisher and General Manager; Mr. P. M. Preston, Executive Editor; Mr. F. W. Pollard, Secretary-Treasurer.

Le Droit: Mr. Aurèle Gratton, Vice-President and Director-General; Mr. Jean-Robert Bélanger, Treasurer and Director of Personnel; Mr. Marcel Gingras, Editor-in-Chief.

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The Honourable Keith Davey, *Chairman*

The Honourable L. P. Beaubien, *Deputy Chairman*

Beaubien	Hays	Phillips (<i>Prince</i>)
Belisle	Langlois	Prowse
Bourque	Macdonald (<i>Cape Breton</i>)	Smith
Davey	McElman	Sparrow
Everett	Petten	Willis

(15 members)

(Quorum 5)

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—

Resolved in the affirmative.

Robert Fortier,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Wednesday, January 21, 1970.
(10)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, *Chairman*, Beaubien, Everett, McElman, Petten, Phillips (*Prince*), Prowse and Sparrow. (8)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. Walter J. Blackburn, Chairman of CFPL Broadcasting Ltd., President and Publisher of The London Free Press, and Executive Vice-President of the London Free Press Holdings Ltd.;

Mr. William Carradine, Vice-President and General Manager, The London Free Press;

Mr. Murray Brown, President and General Manager, CFPL Broadcasting Ltd.;

Mr. Ivor Williams, Managing Editor, The London Free Press.

Mr. Beverly E. Lanning, Vice-President, Finance, The London Free Press;

Mr. William Heine, Editor, The London Free Press;

The following witnesses were present but not heard:

Mr. C. Robert Turnbull, Production Manager, The London Free Press.

Mr. Terrence W. Haney, Editorial Page Editor, The London Free Press.

At 12.35 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Beaubien, McElman, Petten, Phillips (*Prince*) and Sparrow. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. J. C. Preston, President, Publisher and General Manager of The Brantford Expositor;

Mr. P. M. Preston, Executive Editor, The Brantford Expositor;

Mr. F. W. Pollard, Secretary-Treasurer, The Brantford Expositor;

Mr. Aurele Gratton, Vice-President and Director-General, Le Droit;

Mr. Jean-Robert Belanger, Treasurer and Director of Personnel, Le Droit;

Mr. Marcel Gingras, Editor-in-Chief, Le Droit.

At 5.10 p.m. the Committee adjourned to 8.00 p.m.

At 8.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Beaubien, Everett, McElman, Petten and Prowse.—(6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witnesses, representing the London Free Press, were heard:

Mr. Walter J. Blackburn, President and Publisher;

Mr. William Heine, Editor;

Mr. Ivor Williams, Managing Editor;

Mr. Terrence W. Haney, Editorial Page Editor;

Mr. C. Robert Turnbull, Production Manager;

Mr. William Carradine, Vice-President and General Manager.

Mr. Murray Brown, President and General Manager of CFPL Broadcasting Limited.

Mr. Beverly E. Lanning, Vice-President, Finance, The London Free Press, was present but was not heard.

At 10.20 p.m. the Committee adjourned to Thursday, January 22, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Wednesday, January 21, 1970

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (*Chairman*) in the Chair.

The Chairman: Honourable senators, this morning we are going to receive a series of briefs from The London Free Press, CFPL Broadcasting Limited Television and CFPL Radio, at least in part.

Sitting on my immediate right is the Chairman of CFPL Broadcasting Limited and resident and publisher of The London Free Press, Mr. Walter J. Blackburn.

Now, Mr. Blackburn, the briefs you were in due time enough to send us three weeks in advance have been circulated to the senators and presumably have been studied. I know you are going to make an oral statement which I hope you might confine to about fifteen minutes, and then the senators will proceed to question you on the contents certainly of your oral statement and on the contents of the briefs and other matters which may interest them.

It might be helpful, Mr. Blackburn, if you could perhaps, first of all, introduce the people who are here with you this morning.

Mr. Walter J. Blackburn, Chairman, CFPL Broadcasting Limited, President and Publisher, The London Free Press: Yes. Honourable senators, it is a great pleasure to be in Ottawa on this ear-tingling morning. We have heard a great deal about Ottawa weather and this is the weather we expect of our capital city at this time of the year. It is a beautiful morning.

I would like to introduce the men who will be working with me on my presentation, which is the overall corporate presentation. Mr. Murray Brown, president and general manager of CFPL Broadcasting Limited; Mr. William Carradine, vice-president and general manager of The London Free Press; and Mr. Everly Lanning, vice-president, finance, and treasurer of the company.

Mr. Carradine will introduce his colleagues later on.

My brief is quite lengthy and I believe clear and I do not think it would be useful at this time to use up your time with a further formal statement about the overall content of the brief itself. I would like simply to highlight a few of the more important points made in the brief and to comment in more detail on the estate tax problem in which you have demonstrated considerable interest.

In the first place, as the brief makes clear, our media position in London today is not the result of some aggressive and deliberate policy to drive out or stifle competition, but has developed in quite different circumstances.

The London Free Press newspaper has been continuously published for over 120 years and for nearly 35 years has been the only daily newspaper published in London. It would be surprising, in today's circumstances, if in a city the size of London, which has roughly 208,000 population now, there were more than one.

The fact that it is the Free Press is the result, no doubt, of good luck but also, I think it fair to say, of good management, which has enabled us to survive the vicissitudes of time and to continue to serve our community and trading area.

Our interest in broadcasting arose naturally out of our involvement in newspaper publishing and this too was characteristic of the early stages of broadcasting in many communities in Canada and the United States.

We are proud of the fact our radio station was the third radio station to broadcast in the whole of Canada and that we were pioneers in the broadcasting field; we are proud of the fact that, largely as a result of our efforts, London was one of the first communities in Canada to receive regular radio broadcasting in the early 1920's and, also to receive regular FM and television broadcasting when these technologies became available in more recent times, of course.

But here again, our broadcasting activities were not the result of actively seeking out a monopolistic position in the communications field in our community. Rather was it the case that we were the only people in the area who were prepared to undertake the risks and to put up the capital which had to be invested if a responsible and effective radio and television service were to be provided to the people of London and to the surrounding area.

It is not accurate to say that we constitute a "monopoly" of the media in the London area. I have endeavoured in the brief to describe in some detail the many alternative sources of communication which are available in our market area, and I have also indicated the likelihood that these will be multiplied by the technological innovations, including cable television, which are likely to be developed and exploited in the future.

We did not oppose the granting of additional radio licences in our area, nor will we oppose the granting of additional television licences if, as and when applicants are able to overcome the technical and other difficulties of providing additional television service and when these applications, if any, come forward to the licensing authority for the necessary permission.

We have been fully conscious, throughout our history, of the duty which we have to the people of our area to provide an impartial and responsible communications service in both the newspaper and broadcasting fields. Our broadcasting stations are operated independently of each other and of the newspaper. Each unit is competitive with each other in terms of news advertising and sales and our policies in these fields are applied strictly without discrimination or favour of any kind.

In both radio and television, our stations have from the beginning been affiliated with the CBC networks and it has been part of our work to ensure the availability of the CBC national programming service to listeners and viewers in London and Southwestern Ontario.

I have set forth my views about press councils at some length in the brief—Chapter D, pages 59 to 63, paragraphs 224 to 228, inclusive. I have favoured the formation of an Ontario Press Council for some time.

I believe that governments should have nothing to do with press councils, if and when formed. I believe that a newspaper's participation in a press council should be voluntary.

I believe that a regional or provincial press council would be better than the community press council suggested by Mr. Mark Farre of the Windsor Star, but that community councils would be better than nothing at all.

I do not see any advantage to the public or the press in the formation of a series of councils, community, regional, provincial and possibly, national, each with an appeal to the higher council(s), if any, in a manner similar to our courts. And I speak of this because there was an indication one of the senators had a view that this was what we meant when we were talking about multiplicity of more than one press council, and this is not the case, in my opinion.

This would be confusing to the public and unnecessarily time-consuming to all concerned. This would be confusing to the public if there was more than one applicable to any one newspaper.

One level of council, preferably, however above the community level, would do the job in my opinion. If a start must be made at community or regional level, these councils in my view, should disband if a council at provincial level should be formed.

All of this development should occur within a province, in my opinion (unless any council in the maritime and prairie provinces should wish to join forces), until a national press council, an unlikely possibility, is formed.

A press council should serve three primary and equal purposes. First, to act as a "court of appeal" to a citizen, a group of citizens, an organization, a company, etc., who consider himself or itself aggrieved by a newspaper and, having tried, has not received satisfaction from the newspaper's editor or publisher.

Second, to interpret newspapers, their role in the community, their responsibilities (and the responsibilities which they should not be expected to assume) to the public, and to express and interpret public views about newspapers to the newspapers.

Third, to play an active part in maintaining and preserving the free flow of information which is basic to what we have come to call freedom of the press and a citizen's right to know. In this latter role, the press council, more often than not, would be representing the participating newspapers.

So on our interpretation, the press council is a two-way street, as it were, serving the public and the newspapers and interpreting one to the other and supporting the newspapers when necessary in the event that the

freedom of the press should be threatened in any way.

One of your guideline questions asked my opinion about the effect of prevailing economic forces on "the present degree of concentration of ownership." I made some general comment in the brief on page 55, paragraphs 207 to 211, inclusive.

I would like to take a few minutes to elaborate on these comments.

It is my view that one of the main obstacles in the way of continued local or family ownership of individual newspapers, or for that matter any family-owned business, lies in the tax field. I believe that one of the main reasons for the sale of such businesses is to provide the owners with the necessary liquidity so that estate taxes on death can be paid.

In some cases the business will be sold well in advance of the death of the owner, but these sales often simply represent a reasonable attempt by a prudent businessman to prepare for the eventual liability for death taxes. This factor may not be the only one involved in such sales but I would suggest that it is probably the one which tipped the scales heavily in favour of a sale.

This is particularly true since the Estate Tax changes adopted in 1968 which impose tax at 50 per cent of the value of an estate passing to the next generation in excess of \$50,000.

It would be easy for me to suggest to you that the way to assist in continued individual ownership of newspapers would be to exclude the ownership of shares of such companies from estate tax; and as an alternative I could suggest that liability for estate tax on ownership of individual papers should be recognized but that a deferral of payment of such tax be granted until a sale of the shares takes place. Interest might or might not be payable on the deferred tax during the period of deferral.

These suggestions, if implemented, would be powerful incentives to encourage continued individual or family ownership of newspapers.

I do not wish, however, to suggest an exemption from estate tax for newspaper shares because this would be singling the industry out for special and favourable estate tax treatment.

I suggest, therefore, certain special concessions which would be consistent, for example, with the special concessions which the pres-

ent Income Tax Act grants to the extractive industries.

My suggestions are as follows:

(1) A special method should be authorized under the Estate Tax Act for the valuation of the shares of a company the principal business of which is the ownership of an individual newspaper.

The same method of valuation could be used in the case of a proprietor or partner of an individual paper.

(2) A special tax should be imposed on the subsequent sale of shares or proprietorship or partnership interest to persons or companies other than the family if the special method of valuation under (1) had been applied.

I would like to deal with these suggestions in more detail. In the case of the first point the special method of valuation involved would be based upon a special value for tax purposes of the assets of the company which would not take into account any values derived from goodwill or from other factors which are properly taken into account if valuation is being determined on a "fair market value" basis.

As an example of the basis to be used for determining the tax value of the assets, fixed assets such as buildings or equipment would be valued at undepreciated capital cost rather than at their present of "fair market value." This is a concept which appears to have been brought forward in the White Paper in connection with the valuation of closely-held companies for capital gains tax purposes so that this suggestion should not entail additional administrative problems for the Department of National Revenue, if the White Paper is implemented in this respect.

The same method of valuation would be used whether the newspaper was an incorporated or unincorporated business.

The special method of valuation could be on an election basis so that if a particular estate did not wish to apply the provisions it would not be required to do so. In my opinion, the use of such a basis of valuation would go a long way to ease the estate tax burden on the death of the owner or owners of a family-owned business such as an individual newspaper.

Tax would be paid on the working assets of the business valued on a tax basis and this would appear to be reasonable in the particular circumstances, in order to achieve the objective of carrying the newspaper on within the family ownership.

One of the problems which has been encountered in the past in settling the value of an individual newspaper with the estate tax officials has been that the officials have tended to base their values on the actual sale price of the shares of individual papers sold to the chains. These sale prices are frequently considerably in excess of book value, so that one must conclude that a generous allowance has been made for goodwill.

This may well be reasonable in the case of such a sale as the potential earning power the newspaper based on chain methods of operation could produce a capitalized earnings value well above book value. However, it seems unfair to force the estate of an owner of a family-owned business, such as an individual newspaper, to pay estate tax on this basis as the profits of such a newspaper may well not compare favourably with those of a chain operation and in any case the estate generally has no method of realizing tangible value for the implied goodwill without selling at least a portion of the business.

The option to use such a special method of valuation for family-owned newspapers would provide some newspaper owners with an advantage not available to taxpayers in Canada generally. As an offset, therefore, I would propose as point 2 that if the heirs subsequently sell a newspaper or the shares of a company which owns such a newspaper that a special tax be applicable. The tax would apply to the excess of the selling price over the tax value of the individual assets.

Thus the special tax would apply to the goodwill which would have escaped the estate tax under my first point. The special tax could be levied at progressively lower rates over a 20-year period.

Since families can run out of family and other factors other than estate tax can dictate the sale of family newspapers, this special method of valuation and recapture of tax system could and should be developed to permit the sale of a newspaper by one individual newspaper owner or family ownership to another individual owner or family ownership on the condition that the new owner or owners would carry the newspaper on as an individual or family enterprise.

My suggestions are therefore that special estate tax exemptions should not be granted to the estate of owners of family businesses such as individual newspapers. Rather, a method of taxation should be adopted which would be tailored to the needs and objectives

of government policy representing the public interest, which, in my opinion, should be to strengthen the incentives for individual or family ownership of newspapers.

There are other examples of special methods of taxation adopted to meet the needs of a specific industry. In the case of the extractive industry special incentives in the form of depletion and accelerated write-offs are granted. Indeed S12A of the Income Tax Act of Canada is an example of the adoption of special provisions in a taxing statute to carry out government policy for the newspaper and periodical industries.

I have not dealt with the White Paper proposals for changes in the taxation system. Certain of these proposals if implemented will bear heavily on the news media industry. The problems encountered, however, will not be peculiar to the news media industry and accordingly I do not feel that I should burden the Committee with my views in this regard. It is the estate tax problem which is the villain in the continuing ownership of individual newspapers and accordingly every emphasis must be made in this area.

Succession duties in a province such as Ontario are also a problem but it is my understanding that the Province of Ontario intends to vacate this field in the next few years. Accordingly, over the long haul these taxes may not be a problem to residents of Ontario.

The London Free Press and CFPL Broadcasting are proud of the quality of the respective staffs (as am I) and of the fact that many of our staff members have been chosen from time to time by election and selection to serve the newspaper and broadcasting industries in various capacities. We are pleased that we can afford to allow them to provide this service to the industries.

To save time, I will not read the details of these services which are in my opening statement, but will appreciate it, Mr. Chairman, you will order them included in the record.

The Chairman: Yes.

Mr. Blackburn: Our newspaper Managing Editor, Mr. Ivor Williams, has already appeared before you in his capacity as President, Canadian Managing Editors Association. Mr. Charles Fenn, our newspaper Marketing Manager, is serving as chairman of the Ethnic Committee of the International Newspaper Advertising Executives Association.

Mr. Morley Hutchison, our Circulation Manager, is a past president of the Canadian Circulation Managers Association. Mr. Robert Turnbull, our newspaper Production Manager, is a member of the Production Management Committee of the American Newspaper Publishers Association.

Our Editorial Page Editor, Mr. T. W. Haney, was a founder and president for five years of the Press Institute of Canada and was chairman of the Newspaper Critique session of the National Conference of Editorial Writers. Mr. James O'Neill, our City Editor, is president of the Press Institute of Canada.

In broadcasting, Mr. Murray Brown has served as President, Canadian Association of Broadcasters and of the Central Canada Broadcasters Association. He has served on several committees established by CBC affiliates, for the purpose of working out programming and business matters with the CBC. Mr. W. C. Wingrove, Manager, CFPL-TV, is a member of the CBC-TV Network Advisory Committee and chairman of the CBC-TV Network Rate Committee.

Mr. C. N. Knight, Manager, CFPL Radio, was a lecturer at the Ryerson Institute of Technology and was Vice-chairman of the BC English radio CBC affiliates Committee.

Mr. G. A. J. Robitaille is chairman, Videotape Recording Committee, Canadian Standards Association, a member of the American National Standards Committee (Videotape) and holds other industry positions.

Mr. J. A. Plant, Program Director, CFPL-TV, is supervising television producer, Continuing Medical Education, the University of Western Ontario, a member London Council for Adult Education, Television Study Committee. Last year Mr. Plant was consultant, Ontario Medical Association, Committee on Educational Television.

Mr. Hugh Bremner, Editor, CFPL Radio, was one of the founders of the Radio-Television News Directors Association of Canada and served on its board of directors for several years. He lectured in Radio Journalism for several years at the University of Western Ontario.

Mr. Roy Jewell, Farm Director, CFPL Radio, is Canadian Vice-President, National Association of Farm Broadcasters, a director of Quality Swine of Western Ontario and past president, West Elgin Agricultural Society.

Mr. Ron Laidlaw, News Director, CFPL-TV, is Editor of the Newsletter of the Radio-Television News Directors Association of

Canada, represents the Canadian Association of Broadcasters on the Film Standards Committee of the Canadian Standards Association, is a past chairman of the Radio-Television News Directors Association of Canada and a director of the RTNDA Foundation, which has the objective of providing endowed scholarships in broadcasting news education.

This completes my statement. My team and I are ready for your questions.

The Chairman: Thank you, Mr. Blackburn. I would simply point out to the senators that we are dealing this morning really with two presentations. One is the corporate presentation referred to by Mr. Blackburn, and then, secondly, the presentation of The London Free Press. This is not a presentation either from CFPL Radio or CFPL Television. I would suggest that questions about CFPL Radio and CFPL Television should relate primarily to the corporate relationship they have to this entire structure. CFPL, for example, will be returning to these hearings later on when we come to deal with broadcasting outlets.

Aside from that I would only say, Mr. Blackburn, if there are any of the questions which you or your colleagues feel are of a confidential nature and you would prefer to answer privately, by all means please do so.

Mr. Blackburn: Thank you.

The Chairman: Having said that, I think that this morning we will begin with Senator McElman.

Senator McElman: Mr. Chairman, is it the intention of Mr. Carradine also to give his opening statement at this time so we can deal with the two statements?

The Chairman: Mr. Carradine has an opening statement as well. Mr. Blackburn, would you like Mr. Carradine to make his statement now?

Mr. Blackburn: We are in your hands, Mr. Chairman. It was our view it would be less confusing for you if we were to deal with my opening statement first and then after your questions are completed on my statement and my brief, that Mr. Carradine would then take over and present the newspaper portion of the presentation.

The Chairman: What is the wish of the Committee in this regard?

Senator McElman: I would suggest from my own viewpoint it would be more confusing if we waited and then went back through the whole ball of wax again. The two are closely allied.

The Chairman: You would prefer Mr. Carradine's statement now?

Senator McElman: I would.

The Chairman: Is that the feeling of the Committee?

That would appear to be the wish. If Mr. Blackburn has no objection, it might be a sensible procedure.

Mr. Blackburn: I have no objection, if that is your wish, Mr. Chairman.

The Chairman: Mr. Carradine is the vice-president and general manager of The London Free Press.

Mr. William Carradine, Vice-President and General Manager, The London Free Press: Mr. Chairman, honourable senators, ladies and gentlemen: I believe first of all I would like to introduce the people who are appearing here today for The London Free Press.

You have already met Mr. Blackburn and Mr. Lanning, and on my right is Mr. Williams, the managing editor. Beside him is Mr. Haney, editorial page editor. Beside him, Mr. Heine, the editor, and then Mr. Turnbull, our production manager; and Mr. Fenn, our marketing manager.

First of all, I would also like to say I have no intention of answering all of your questions today. These gentlemen whom I have just introduced have more combined years of newspaper experience than I shall ever hope to see on this good earth. I have absolute confidence in them. They are completely competent to answer any questions which I believe you may wish to pose to them in their respective areas of responsibility, so I would ask you to feel free to question them directly on any subject.

We are pleased today to tell our story before this Senate Committee. We believe The London Free Press is providing a high-quality news service to people in London and South-western Ontario and we believe our credibility and acceptability are high in the area we serve.

We hold no sympathy for the view-point that what the mass media in this country are doing is their own business and that they

should be left alone and not bothered by this committee.

We believe that the people of Canada, the mass media, and all levels of government have a common interest in strengthening and expanding communications amongst themselves and we therefore support any efforts to evaluate and to try to improve general knowledge of the role and function of the mass media in Canada.

You have asked us to comment on freedom of the press and the function and role of a newspaper in the community. We have discussed both these points at great length in our written brief, but we would like to comment further on them in these introductory remarks, because we believe they are vital to a proper understanding of the impact and influence of a newspaper on the Canadian public.

We believe that freedom of the press must be protected and encouraged because it deals with a vital part of the public's business—the right to know. Freedom of the press in Canada assures for each citizen his right to information and opinions which will permit him to be properly informed on national and international events, and which will make him capable of passing judgment on the affairs of state which surround him.

On this continent there are a great many cities similar to London, Ontario, which are served by only one newspaper. It is perhaps worth examining for a moment why the number of competitive newspaper situations has diminished during the last generation.

Newspaper readers demand a great deal more of their paper than their parents or their grandparents would have demanded fifty or even twenty-five years ago. They have come to regard instant news from the four corners of the world, and even from overseas, as very ordinary and commonplace.

Further, they would probably be disappointed if the initial news dispatches were not followed by a substantial quantity of well-informed comment and interpretation to what is likely to happen next.

The net result of this is that the complete daily newspaper of today must be backed up by substantial resources. It must operate from a strong economic base and this in turn means that the essential base will be destroyed if the available market is fragmented.

One of the largest cities in the world, New York, today supports only three daily news-

papers, which means one paper for every three million inhabitants. To the best of our knowledge, nowhere on this continent in more than forty years has anybody successfully launched a competitive newspaper in a large metropolitan area. It is our conclusion that the chances of doing this successfully become poorer, not better, as the years go by.

A strong ethic of responsibility has come to be accepted by editors and publishers of newspapers in single newspaper cities such as London. At *The London Free Press* we have developed a self-discipline to ensure that this responsibility is adequately carried out.

Since we are involved to an extent in dispensing criticism of others, we have learned to welcome, consider and publish criticism of our own performance and we are constantly re-examining our role and our effectiveness in the light of changing circumstances.

Perhaps most difficult of all, we have learned we must carry out this program without ever falling into the easy trap of seeking popularity for its own sake. We do not try to avoid criticism by never giving offence to anyone. We have recognized long ago that we must not abandon our essential role of watchdog, helping to safeguard the liberties of the individual by exposing abuses, by the police, by business, by governments, and by the omnipresent arms of executive authority. A responsible press must never be equated with bland, unenterprising, fence-sitting press.

Regarding the role of a newspaper in a community—which is one of the questions you have asked—such as London, there is no doubt in our minds that newspapers have a great deal to do, probably more than any other one medium of communication, with the process of forming and moulding public opinion.

However, it should be clearly recognized that in a free society operating on democratic principles, the real role of a newspaper is not to try to mould public opinion according to the desires of the newspaper publisher or editor and it is not to try to manipulate the feelings of the public, nor to try to mastermind the way in which the public votes.

The function of a newspaper, rather, is to see that the public gets all the essential facts, and to do what it can to ensure, firstly, that the public is informed and, secondly, that the public is encouraged to discuss matters of public importance. The prime purpose of newspaper editorial opinion, we believe, is to stimulate discussion.

Like many other newspapers in Canada, we at *The London Free Press* believe we have a sense of mission—and I say that in not a trite sense—but we do not envisage that mission as using whatever influence this newspaper has to re-shape the community or the country to suit our own preferences.

Our mission is to generate public discussion, because, we believe that if a free people of goodwill, given all the facts, discuss a subject long enough, they will eventually come up with something very close to the correct answer.

The answer might not necessarily be the one which the newspaper would like to see them come up with, but that does not mean that it is an incorrect answer.

If a newspaper is dedicated to the philosophy I have just outlined, as we are at *The London Free Press*, then we see our function to be, firstly, to present the facts with all the objectivity possible within the limits of human fallibility, and, secondly, to comment upon events, by way of stimulating discussion rather than by way of telling people what they ought to think.

It follows from this that the primary duty of the press is to the facts. It is under an inescapable obligation to get its facts as straight as it possibly can, and to keep its reporting of the facts devoid of personal bias. With the best of intentions, this is not easy.

Every single news report which appears in every single newspaper in the world is a subjective exercise, influenced by the personality of the reporter, of the editors who handle the copy, and of the senior editor to whom they are responsible.

If there are two hundred news stories in an average paper on an average day, this means that two hundred reporters in all parts of the world exercised personal judgment about the facts they would put in and the facts that they would leave out; that a group of editors exercised two hundred personal decisions when handling the copy, perhaps when making the story shorter than it was in the original, and two hundred more personal judgments were made in selecting the particular fact which was to be covered by the headline and in selecting the words to be used in the headline. Under these circumstances, it really is not too surprising that errors of judgment sometimes occur, even in the best of newspapers.

You have also indicated an interest in how we ensure that conflicting opinions and infor-

mation on which dissent may be based are made available to our readers.

The editors and reporters of *The London Free Press* accept as a responsibility the requirement that events and views of interests and all shades of known opinion are impartially reported in our newspaper. New ideas are solicited and given prominence in our news columns.

At our newspaper we recognize the right of reply and we have a standing rule that anyone who is accused or criticized in a controversial situation be given the opportunity to comment before publication. This newspaper actively seeks and reports dissenting points of view and the responsibility to do this is taken seriously by this newspaper, its senior officers and its staff.

Readers are encouraged to express their views as letters to the editor, and opinions contrary to editorial positions taken by *The London Free Press* are sought actively from individuals known to have such views. All letters to the editor critical of *The London Free Press*, of its accuracy, objectivity or opinion, are displayed prominently on the editorial page. All letters to the editor are published by *The London Free Press* subject only to the usual rules of libel and slander, etc.

Because it is the only daily newspaper published in London, *The London Free Press* has a responsibility to be a forum for dissent and conflicting opinions wherever these might exist in the community. We accept and we believe we carry out effectively and properly that responsibility.

The London Free Press has had a long history of responsible and effective service to its community of readers. Our hope is to continue to merit the support of our subscribers so that we may maintain uninterrupted that history.

At this time we welcome any questions which any member of this Committee may have.

The Chairman: Thank you. I appreciate the co-operation of Mr. Carradine and Mr. Blackburn in dealing with both of these opening statements as requested by Senator McElman.

Now, I think we can proceed with the questioning, and I would suggest that we might proceed with questioning Mr. Blackburn, and then, following that, go to the *Free Press*. It may be as we proceed that there will be questions you wish to have Mr. Carradine

or some of the others answer, and by all means do so.

Senator McElman?

Senator McElman: May I have your indulgence first for two quick questions to Mr. Carradine?

The Chairman: Yes.

Senator McElman: And then move to Mr. Blackburn.

You referred to the two hundred stories and the two hundred reporters and so on and the personal judgments and personal decisions that ought to be made in the course of a day's publication.

Do you have a test computer which can in fact edit the news stories to the bare, hard fact and take out the over-burden?

Mr. Carradine: Do we have a computer, senator?

Senator McElman: Do you have such a computer on test or do you know of such type of computer?

Mr. Carradine: The American Newspaper Publishers Association Research Institute has developed a program which is called ANPA. It is a program whereby a news story can be fed into a computer and be fed in a variety of controls or suggestions to the computer. The computer will then shorten the story to the particular length which you may desire.

We do not have this program. We are not currently testing it. It is available, I might add.

Senator McElman: Would you consider—

Mr. Blackburn: I might add, Senator McElman, that the program will shorten the story but it doesn't appear to edit it at present in the sense that you consider editing to be.

Senator McElman: Then you do not consider this development a real danger to personal involvement or human involvement at the current time?

Mr. Carradine: No, sir.

Mr. Blackburn: May I correct one piece of information? We have a copy of this program in *The London Free Press*. We are not using it.

Mr. Carradine: I believe Senator McElman's question was, are we using it; was it not

Senator McElman: Yes, that is correct.

At page 3, Section 10, Mr. Carradine, you say:

"We have recognized long ago that we must not abandon our essential role of watchdog, helping to safeguard the liberties of the individual by exposing abuses, by the police, by business, by governments, and by the omnipresent arms of executive authority."

Would you add to that "media"?

Mr. Carradine: Yes, I certainly would.

Senator McElman: Thank you.

Mr. Blackburn, you have attended these committee hearings, I believe, from the outset?

Mr. Blackburn: Yes.

Senator McElman: I have seen you about quite a bit. You have heard the discussion and the views and opinions concerning most of the important aspects of mass media communications in this nation, as have the members of the Committee.

In my opinion, you and your associates have presented an excellent brief in these matters which you have covered. It contains a tremendous volume of useful statistical data, clear views and opinions, but all of this indicates a tremendous amount of research and a corporate capability to assess things as they really exist.

You, like others, have dealt with those things which you expect of the state to help preserve, the independence and freedom of the press, but you have dealt in far less detail and depth with those things that the state might properly expect of the media owners towards the same end.

Now, with your knowledge, capability and experience in this field and your knowledge of the testimony taken thus far, I would like to get straight away down to the nitty-gritty of what this inquiry is all about, if I may, and I suggest it is ownership and control, concentration and monopoly. In the field of mass communications these spell power; raw, naked, unadulterated power. It may be used either for the immense benefit of a nation and the people or to their detriment.

The power potential—and I stress the word "potential"...

The Chairman: May I remind the senator he is asking a question and not making a speech.

Senator McElman: I am laying the groundwork.

The Chairman: I appreciate that.

Senator McElman: The principal point at issue is, to what extent should the people through the second state, the collective parliament, permit this potential and great power to become concentrated in the hands of a few people or a few corporations?

Now, I come to what I would hope you would do for us. I believe it would be of very real assistance to this Committee to have from you, your clearly-stated and frank opinion as to the extent to which such concentration of ownership and control should be permitted in the public interest; and whether any concentrations have already reached or passed acceptable limits in the areas of ownership or control of one segment of the media, such as the newspapers, multi-media ownership, national, regional, provincial, or local, or media ownership by conglomerates, whose other major interests are in conflict with responsible media management and who truly constitute a threat to the freedom of the press.

The Chairman: Would you like him to repeat the question, Mr. Blackburn?

Mr. Blackburn: I think I need some assistance, Mr. Chairman, as we go through. There is quite a bit of ground to be covered. I think I should say at the outset, Senator McElman, that in throwing the ball to you, to a degree Government must make up its mind what it intends to do with respect to making it possible for newspapers still under individual ownership to remain under individual ownership.

The policies of the Government up to the present time—those referred to in my opening remarks—the Estate Tax policies—have mitigated against this possibility, and in fact have been, in my judgment, the prime reason for the sale of individually-owned newspapers to the chains or to the conglomerates, as the case may be; so the first ingredient necessary to the solution of this problem is a determination of government policy, so that the ball is really in your hands; not mine.

The raw, naked, unadulterated power about which you speak, I can frankly scarcely agree with that. I would go back to Douglas Fisher in one statement he made when he was appearing before you; that the sense of fairness of the public is a nerve-end very near

the surface, and it is my opinion if the power to which you are referring were used in the manner suggested, or inferred by you, that the public would not put up with it. I find in our area at any rate no such feeling on the part of the public.

However, I believe that there are other points of view with respect to other areas.

I think that it is ideal to have newspapers owned by individual proprietors and companies, based on local ownership within the community in which they are established. This was the case in the good old days, as it were. This is not the case now for reasons which I have previously drawn to your attention.

With respect to the ownership by chains, in my observation of chain operation in Canada newspapers for the most part do not suffer as a result of being involved in chain ownership and in fact benefits can be derived by an individual newspaper through its relationship with the chain, in possibly better management, in the help which a chain can provide in budgeting, budgetary control and other management tools, and in the future possibility with respect to the provision of a computer service which any small individual paper cannot afford, and such services of that kind.

With respect to conglomerates I would like to say that *The London Free Press* has no equity interest in any other companies than those of our own media. We have investments which are in bonds but we hold no equity shares in any other company, so we are not a conglomerate, even a small one.

I personally do not favour ownership of newspapers by conglomerates. I think that even if the interests of the conglomerates were declared publicly, that it is possible that its non-media interests could have some effect on the operation of the newspaper and my personal preference is for non-ownership of newspapers by conglomerates.

I see no objection to chain ownership of newspapers by chains who are not conglomerates.

Multi-media—am I correct in understanding that by "multi-media" you mean a situation such as in London where a newspaper and broadcasting stations are owned jointly?

Senator McElman: And cable television.

Mr. Blackburn: I suppose I am biased in this matter, but I find that I cannot see any basic objection to such multi-media ownership, and particularly in the case of London

where there are competing media in the same fields. In television there is a competing television station in Kitchener. Of course, the cable systems bring in many American stations which compete with us for audience, and one of the great competitive factors in the multi-media or among media is for the time and attention of audiences and the audiences are the same people. They do not change particularly. So with respect to the radio in London, as I pointed out, there are three other radio stations, two in the community itself and one in St. Thomas. There are other stations coming into the London area.

With respect to the newspaper in the morning field there is a great deal of competition as I pointed out in my brief. In the evening field there is minimal competition in the newspapers but always present in my opinion—and the members of my staff have heard me say this many times—is the phantom newspaper which can and will be developed in a community such as London, at any rate, if the proprietor and publisher of a newspaper does not do a job. The phantom newspaper is always there.

Senator Everett: Would you enlarge on that?

Mr. Blackburn: The phantom newspaper is the newspaper which somebody with the desire, with the finances, is prepared to start if a vacuum develops which needs to be filled in a market vacuum.

Senator Everett: Mr. Carradine made a remark in his report that this has not happened in forty years in a major community.

Mr. Blackburn: Yes.

Senator Everett: Would that vary your thinking at all, Mr. Blackburn?

Mr. Blackburn: No. The phantom newspaper is there.

Senator McElman: Are there any instances where it has occurred in Canada in recent times?

Mr. Blackburn: In terms of weeklies developing into dailies...

Mr. Carradine: Wallaceburg.

Mr. Blackburn: Well, that was not a competitive situation. Weeklies are developing from time to time into dailies, or five days a week, or three days a week in market areas.

which are also covered by newspapers, and the normal way for a daily to develop is through the development of a weekly initially, and into a daily.

I cannot recall any instances offhand; I am sorry.

Senator McElman: Well, Mr. Blackburn, you have dealt with what your view is with respect to conglomerates in the media field, and you have told us what your own situation is indeed for you in London, but, with respect, you have skirted around my question. What I asked about was your opinion...

Mr. Blackburn: Not intentionally.

Senator McElman: ...your view as to what would be acceptable limits, and when I say "acceptable" I mean from the standpoint of public interest, Canadian interest—what would be acceptable limits for concentration of one of the media (newspapers), and what is acceptable limits for multi-media ownership; national, regional, provincial, or local?

Mr. Blackburn: In each case you are referring to newspapers?

Senator McElman: You deal with it as you wish.

The Chairman: There are two questions. Why don't we take them one at a time? The first question, as I understand it, is, what would be acceptable limits of concentration in newspapers?

Senator McElman: May I say, sir, I am not trying to embarrass you?

Mr. Blackburn: No, I am sure you are not.

Senator McElman: I have great respect for the *London Free Press*. I think it does a very fine job. Your name is one of the most respected in journalism and publishing in the nation.

I believe that if you can give us a view on the limits that it will be very useful. You are respected not only by the public but by your confreres in the industry. I think your view would carry weight.

Now, obviously concentration to the degree of one or two controlling all dailies in Canada is not desirable, so what are the limits?

Mr. Carradine: If I might suggest, I think you are asking a hypothetical question which is impossible to answer. You give us a practical situation and we will say, "Yes, we think

that is acceptable" or "No, that is not acceptable."

Is it acceptable that one chain owns all the newspapers in Canada? Is it acceptable that four chains own all the newspapers in Canada? Is it acceptable that we own all the newspapers in Western Ontario?

I think these are practical questions, but when you ask it on a hypothetical basis...

The Chairman: I don't think, Mr. Carradine, that it is hypothetical. I don't think you are being quite fair to Senator McElman.

Senator McElman: Mr. Carradine and Mr. Chairman, with respect, I would like to have Mr. Blackburn, within his vast experience, give us an answer.

Mr. Blackburn: I think first we will talk about the individual community and the service area of a newspaper. I see no harm whatsoever in the public interest if one owner publishes in both the morning and evening fields. By its nature and the difficulty and the time taken to transport newspapers from its centre of publication to the surrounding area, such as in the case of our morning newspaper, you have to publish it in the morning in order to serve the public that same day.

With respect to an evening newspaper, an evening newspaper tends in Canada to be distributed only within its community of publication and to a minor degree in the area surrounding that.

For the most part this is the case, so a morning and evening publication can, if the community can support it, provide better service to the community and surrounding area than one paper, either in the morning-only or evening-only field; and that is the manner in which the *London Free Press* developed, and there are other newspapers in Canada with a similar set-up.

I would not consider it to be in the public interest if the same owner owned a second newspaper in the same community or area in either the morning or evening field. It would be better in the public interest that there should be competition if the community can in fact support it.

Does that answer your question on the local basis?

Senator McElman: Yes.

Mr. Blackburn: One thing I intended to mention earlier was with respect to cable television vis-a-vis what I call the traditional

system of television broadcasting; namely, sending Hertzian waves out through the air. It is the policy of the CRTC, which was established in the John Bassett case in Toronto, not to permit a television broadcaster which has a station in the community also to own an interest in a cable system.

Senator McElman: There was a second case of that in Saint John, New Brunswick, as well.

Mr. Blackburn: With respect to the ownership of newspapers in communities which are not related one to another geographically, I see no harm in the public interest and in fact there could be some benefit in the ownership of this newspapers by one owner. These are called chains. I think, however, it is better to have three chains, as we have in Canada, than one.

Whether I could say that four would be better than three, frankly that is a matter of judgment. Possibly four would be better than three if you do not get to the point where you had so many chains, if this were possible, that the benefit of chain ownership would be lost.

I think it would be undesirable to have one newspaper chain in Canada. It is better to have two and better again to have three. I frankly do not know just what to say as the ideal. We have three now and the service seems to be reasonably good in most respects.

Insofar as the number of newspapers which any one chain might desirably own in aggregate, to a degree in Canada at the moment, it would depend on your decision with respect to how many chains you might wish to see in operation.

Within the limits, which I stated earlier, I do not think there should be single ownership or chain ownership of more than one newspaper in any one market area or community. I cannot see any need for any limitation on the number of newspapers which any one chain might own in the nation in non-geographically-associated communities, provided we do not get down to one chain.

I would prefer not to get down to even two, although we have only two chains in broadcasting at the moment, one of which is the CBC, and the services to the public in broadcasting provided by the two chains is reasonably competitive and reasonably good.

Senator McElman: Is CTV a chain or an affiliation?

Mr. Blackburn: It was an affiliation but there is a possibility, I understand now, that one—I am sorry; you are right. It is basically an affiliation, but it is possible for more than one station affiliated with the CTV to be owned by one owner. It was not possible before.

Am I correct in that?

Mr. Murray Brown, President and General Manager, CFPL Broadcasting Limited: Well, there are a lot of types of chain ownership other than broadcasting stations.

Mr. Blackburn: CTV is not a chain.

Mr. Brown: No; it is really a mutually owned network. The affiliate stations own shares of the CTV network but there are other types of chain ownership of broadcasting stations. They are not network, but they are group ownerships in this country, several of which I am sure Senator Davey and the Committee is familiar.

Senator Prowse: It provides services on a co-operative basis for the participating stations; is that it?

Mr. Brown: That is correct.

Mr. Blackburn: With respect to conglomerates, Senator McElman, I think I have stated my view. I do not think it is in the public interest. I think it is better in the public interest that the media ownership or comparison or overall corporation, the chain corporation as the case may be, which is involved in the operation of media not be involved in other operations. I hope I have answered your question. I am not endeavouring in any way to avoid answering it.

Senator McElman: Well, I might say, since you have gone much further than many others have gone.

The Chairman: Are you leaving this point Senator McElman?

Senator McElman: No, not entirely.

The Chairman: Fine.

Senator McElman: The society that we now enjoy and have for some time operates largely on the foundation of competition in the marketplace, and we have in fact legislation to try to enforce and maintain competition and I have heard a few expressions quite a bit of late that in the field of media ownership and control the marketplace is not operating effectively. It is concentrated, and

in this regard we had as a witness Mr. Henry, the Director of the Combines...

Mr. Blackburn: Yes, I heard him yesterday.

Senator McElman: And there are a couple of passages here I would like to quote, if I may. They are very short.

The Chairman: Fine.

Senator McElman: I would perhaps ask your opinion on them as to whether they indicate that we are moving in a bad direction with respect to media. The first quote is on page 4.

Mr. Blackburn: Which of his two statements, sir?

Senator McElman: This is the longer of the two, the brief itself, about halfway down the page. He says:

"It is also true to say that another important objective of competition policy, although it is not one that has been emphasized in Canada, has been the diffusion of economic power whereby it is sought to avoid concentration of too much power in too few hands."

He goes on:

"...in relation to the field of communications where concentration of power has not only very important economic consequences but even more important social consequences."

Then on page 15 he expresses the view:

"...that the problems of competition, concentration and monopoly are of very great relevance to the entire communications industry. Because the media of communications are, in effect, the nervous system of society, there is no field in which excessive concentration or anti-competitive practices can be of greater concern to society."

Now, before I take the next one, which is at page 6, there seems to be a feeling with the media that there are some stone tablets going to come down from the Mount through this Committee. I do not think we have access to the source of solutions, but there is some handwriting on the wall in this next quotation that I have:

"The industry, therefore, which seeks to achieve monopoly power and to preserve it, may in the long run become a candidate for state regulation."

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Now, with the trend towards gobbling up all the independents by the chains, do you foresee any danger to the media industry in the light of these comments?

Mr. Blackburn: I think if, Senator McElman, a situation were to develop which we spoke about earlier, where one chain owned all of the newspapers in Canada, I should think that would certainly be an invitation of necessity to the state to intervene. I would agree. So I feel we have rather covered that situation.

The Chairman: Mr. Blackburn, may I just ask you one question on Senator McElman's point? What would be wrong with one chain owning all the newspapers in Canada?

Mr. Blackburn: There is not necessarily anything wrong insofar as the operations are concerned, depending on who the chain operator happened to be, and what policies were followed, but I do not think it would be possible to prove to the public that this was not an undesirable thing, so I think the public would move in, whether it was desirable or not. I think we have to expect that.

Senator McElman: By the "public" do you mean the "public" or the "state," or "Parliament"?

Mr. Blackburn: I think the state representing the public, or possibly on the demand of the public, public opinion.

Senator McElman: Then, short of one chain owning all, do you see any point where the state might feel obligated in the public interest to move in? The very thing that is feared and properly, I say, state intervention, the very thing that is feared by the industry—do you see any point short of total ownership for this kind of thing to happen?

Mr. Blackburn: It would be my opinion that the state would intervene before that point, and it would be my view that it would not be desirable to have fewer than three chains in the country, as I have inferred before, and possibly better to have four, but again this is a matter of opinion.

It is a very difficult opinion to get at definitively. I think that we need more than one chain, and certainly ideally more than two. I would not suggest that the state should be concerned about the present situation as it now exists.

Senator McElman: The reason, Mr. Chairman, I am following so hard on this line of questioning, if I may explain, is that there are so many people now not just believing but commenting that the situation in the United States has already reached the point... I spoke of the potential of power. There is a strong body of opinion that believes it has been displayed in very recent times that on occasion the power of the media might equate or even surpass the power of government.

Mr. Blackburn: I don't believe that.

Senator McElman: I cannot prove that.

Mr. Blackburn: I do not believe that.

Senator McElman: I am saying this is a growing body of opinion. I share their concern about it and that is why I am pursuing it so strongly.

Mr. Blackburn: It is not possible, in my opinion, Senator McElman, for the power of the media to exceed that of government. It just is not possible because modern government has the power to intercede, if it chooses.

Senator McElman: The power of pressure, of lobby?

Mr. Blackburn: Well, relative power is always in terms of relative power. The supreme power is always, in our democratic society, bound to be in the hands of the people through government.

The Chairman: Pursuant to Senator McElman's point—unless you are going to ask about the Failing Newspapers Act...?

Senator McElman: No; you go ahead.

The Chairman: Are you familiar with the Failing Newspapers Act in the United States?

Mr. Blackburn: No, I am not.

The Chairman: You are not at all?

Mr. Blackburn: No.

The Chairman: Because I think that might have been what Senator McElman was referring to.

Senator McElman: Would you refer to it because you are more familiar with it than I am?

The Chairman: There is great pressure, as I understand it, in the United States to specifically exempt newspapers from combine legis-

lation, and the American media industry is able to bring enormous pressure on the United States Senate in this connection.

I hope we may hear more about this in the course of our hearings. However, if you are not familiar with it, then we cannot talk about it.

Senator McElman: May I correct you? You said "is able." Is it not "has already done"?

The Chairman: Yes. In view of the fact Mr. Blackburn is not familiar with the legislation and what is happening, I did not want to go any further.

Mr. Blackburn: Insofar as I am concerned in principle I have suggested in my written statement as a newspaperman it is not in the interests of the public or in the interests of the newspapers to have any special laws that are applicable to newspapers only, and newspapermen generally do not want this. Insofar as they might confer some special consideration on newspapers, newspapermen know that a special favour conferred can be withdrawn by government, and they just do not wish to have them or to put themselves in the position of having them withdrawn for political reasons, or some other reasons, so we do not want special favours from government normally.

Now, a certain newspaper—I know you are considering the possibility of assisting certain newspapers to continue to publish. In these individual cases I think one would have to judge them on their own merits and it might well be better for the Government to provide some assistance to the newspaper rather than let it fail.

In the case of postal rates, I would consider any assistance provided in this manner, which might assist the newspaper to remain in publication, is not really assistance to the newspaper but rather to its readers, who might otherwise be denied the privilege of receiving the newspaper at a price they can afford; and if you would like to get into the postal rates—

Senator McElman: I think we will get into that a little later, sir.

The Chairman: May I interrupt you just for one second? I have a note from one of the senators, gentlemen, asking if, while the questioning was going on, he could submit your advertising rate cards for The Free Press, CFPL-TV and CFPL-FM.

May I have a copy of those? Do you have them. Mr. Fenn?

Mr. Charles Fenn, Marketing Manager, The London Free Press: I have the newspaper advertising rates.

The Chairman: Do we have the radio and television advertising rate card?

Mr. Brown: No, I do not.

The Chairman: We have one in our office across the road, do we not? Can we get it?

Well, if you could give the newspaper rate card to Senator Everett...

Carry on, Senator McElman.

Senator McElman: There are other areas I wish to move into, but I suspect some of the senators perhaps have supplementaries in this area.

Just before I vacate to them, I would like to ask in this same connection if there is some unwritten code of ethics or principle through which the publishers or owners refrain from commenting editorially about a situation in the nation which has proceeded to such a degree of concentration or monopoly that on the surface appears dangerous?

Is there any code of ethics which says that they shall not editorialize about this?

Mr. Blackburn: None whatsoever to my knowledge; certainly not in my newspaper. Insofar as I observe coverage of the situation to which you may refer, the New Brunswick situation, the evidence given at this hearing was carried quite extensively in the newspapers of Canada.

Senator McElman: Carried but not editorialized upon. I am talking now about the health of your own industry. If you see a situation develop which perhaps some might consider a threat to the good health, reputation, or name of journalism and the industry, would they editorialize on it or do they stay free of commenting upon their brethren?

Mr. Blackburn: Not as a matter of policy, insofar as I am aware.

Senator McElman: Let me go further. If it was not known before it certainly is known now in consequence of the questions at least that have been put here, not in consequence of the answers that have been received from those engaged in the industry.

It is certainly well-known what the New Brunswick situation is, and the gentlemen

involved appeared here as witnesses and they displayed, I think, quite fully what the situation was.

To the best of my knowledge one major newspaper in Canada commented editorially and the outcome of that was that the publisher of the Saint John Telegraph-Journal, and Evening Times-Globe, who was also the general manager of the company that runs the whole ball of wax, wrote a letter to the editor of the *Toronto Star* disputing the editorial, but he did not run in his own papers, in any of them, and they total five in New Brunswick of the dailies, he did not run the editorial of the *Star* nor his letter.

Now, would you not find it strange that only one of the major newspapers in Canada would comment editorially on such a situation, or is it not a threat? Is this sort of thing acceptable?

Mr. Blackburn: I do not find it strange because of the way in which the situation seems to have been developed. There seems to be politics involved in the situation, insofar as we can observe, to a degree, which politics, frankly, I do not understand, I must confess.

I would be hesitant to comment on the situation without understanding it more thoroughly than I presently do. Perhaps we should make, and no doubt we should make, an effort to understand it more thoroughly.

Senator McElman: The basis for your statement is the testimony and editorials of the members of that chain, I suggest. It is not necessarily fact.

Mr. Blackburn: Yes, sir.

Senator McElman: I can say that at no time since these hearings have begun or before has any representative of your newspaper, for instance, or any of the other major newspapers—since there are supposed to be politics involved—has asked me, as I am involved, any direct question about politics being involved.

Mr. Carradine: Has the Canadian Press ever directed any questions to you on this?

Senator McElman: No.

Mr. Carradine: I think the situation is—

Mr. Blackburn: We will correct our oversight.

Senator McElman: I would just like to say additionally that I have been associated with

the public affairs of New Brunswick—I will cut this off very quickly—

The Chairman: Well, I will be delighted, Senator McElman, because we are talking about London today.

Senator McElman: All right. We are talking about mass media, control, ownership concentration. That is what we are talking about.

The Chairman: I take your point. Carry on.

Senator McElman: I have been involved in the public affairs in New Brunswick for a good number of years, and I will stake my reputation for honesty of purpose in the interests of New Brunswick, not any political party, the interests of New Brunswick in what I have done, with that of the reputation of any publisher or owner or newspapers in the Province of New Brunswick.

I felt compelled to say this because of what you said.

Mr. Blackburn: Yes.

Senator McElman: That there is politics involved. I come back again to the question. Is there something of a sub-conscious nature even which prevents editors from dealing with a potentially dangerous situation of this kind, potentially dangerous to their own industry and potentially dangerous in the sense of forcing government intervention, which is something you do not want and we do not want?

The Chairman: Well, I think that Mr. Blackburn has probably dealt with that question.

Senator McElman: I do not think he has.

The Chairman: Do you want to add anything else on it?

Mr. Blackburn: Insofar as The London Free Press is concerned (I can speak only for my own newspaper) we have not consciously and deliberately overlooked looking into the New Brunswick situation directly and discussing it with you. We just have not thought of doing this but we would be very pleased to.

Mr. Carradine: I should point out, senator, we have carried in our news column the stories coming to us from the Canadian Press which originated in New Brunswick concerning this particular problem. These have been carried in our newspaper and to the best of my knowledge—I would have to check with

these gentlemen—we have carried all the stories which have come to us on this particular subject. We have not tried to skirt the issue.

Your question as to whether or not we should editorialize on the subject is a much more difficult one because as Mr. Blackburn pointed out we are editorializing on a subject about which we do not really have all the facts. We have the facts that were given to us by the Canadian Press. We do not necessarily believe that is sufficient basis on which to write a particular editorial, taking one side of the other.

Mr. Blackburn: I might say that with respect to the Province of Quebec, and in the interests of national unity, we do avoid making editorial comment which our friend in the Province of Quebec might consider to be none of our business.

The Chairman: If I might suggest, Mr. Blackburn, Senator McElman, honourable senators, and ladies and gentlemen, that we now adjourn for five minutes for the benefit of the reporter.

We will reconvene in exactly five minutes from now.

...Short Recess (11.30-11.35 a.m.)

The Chairman: Honourable senators, I am wondering if I might ask everyone to sit down so we can begin.

Senator McElman: May I just ask one more question?

The Chairman: Yes. Honourable senators and gentlemen from London, we are now ready to reconvene. I think that Senator McElman has more questions, and I gather he is going for the time being to defer to others of us who wish to ask questions, and we will return to him later. I think he does have one question before he does yield; is that correct?

Senator McElman: Yes. I just wish to elaborate on something that was not finished.

The Chairman: I am sorry.

Senator McElman: That was the only reason, Mr. Blackburn, I made reference to the fact I had not been interviewed by you people or anyone else was to balance out the assumption that you had drawn from one side of the picture. Let me say immediately I do not give a damn for personal publicity. I am not seeking interviews. I am not elected.

The Chairman: All right. Mr. Blackburn, I would like to ask you a few questions, if I may, or some of the people who are here with you.

I would like to discuss very briefly this question of whether or not The London Free Press enjoys a monopoly. You took me to task in your brief (not too severely; very gently, I might say, which I appreciate) and suggested I was wrong in the Senate when I described the situation as a monopoly.

If I were to concede the point that *The London Free Press* does not enjoy a monopoly, would you agree with me that it enjoys an overwhelmingly dominant position in the London market; would that be a fair statement?

Mr. Blackburn: Yes, that is a fair statement.

The Chairman: An overwhelmingly dominant position.

Mr. Blackburn: I do not care for the adjective "overwhelmingly." We are not overwhelming anybody.

The Chairman: Would you call it a blanket domination?

Mr. Blackburn: No, I wouldn't call it that. We have a dominant position.

The Chairman: You would not say it is overwhelming, and you would not describe it as blanket coverage?

Mr. Blackburn: We have coverage in the city of London itself of over 90% of the occupied dwellings. That is good coverage.

The Chairman: I think it is excellent coverage. I am wondering why in your brief, if I may refer to page 7, Section 25, where you say: "One of the cities, London, has a population of 194,416."

I looked below and I see that that is a 1966 census. That intrigued me, so I phoned the municipal offices in London and found the population is 9% higher. It is 211,000.

I am not being critical of your use of this figure but I think it is important to realize that in analyzing some of the statistics you have presented us with, that these are old figures, or at least—I shouldn't say all of them—but some of them are obviously old figures, including this population statistic, because the city municipal offices told me the correct day it is 211,756.

Mr. Carradine: I believe the reason we used that, Senator Davey, is that that is the last official census figure which is available.

Mr. Blackburn: When you are writing briefs, Senator Davey, you have to adopt some basis. I adopted known figures; the last census. I had no intention whatsoever of reporting a population of 194,000 deliberately below...

The Chairman: I accept that.

Mr. Blackburn: ...what it now is.

Mr. Carradine: I think, if I may interject, perhaps another reason is that those are the figures that ABC are presently using in their report.

The Chairman: I can accept that as well. I am certain there is nothing deliberate here.

Mr. Blackburn: I am delighted that the city is growing as quickly as it is, although it is keeping us busy to keep up with it.

The Chairman: Well, now, you go on from there and you talk a great deal about the multiplicity of media voices which are available to people living in London, and the next page, page 8, you say St. Thomas has a daily newspaper, one AM radio station, and a cable system. Sarnia has a daily newspaper, a weekly newspaper, two AM radio stations, and a cable TV system. I will not read them all. But you describe similarly in Chatham, in Woodstock, in Stratford, and there is a total—I have added them up and I think somewhere you have, too—of six daily newspapers, and I think seven radio stations. Is it not a fact that in none of those other cities is there a joint ownership of a newspaper and radio station?

Mr. Blackburn: Insofar as I am aware, that is correct.

The Chairman: Is it not equally true there is no joint ownership of any of the newspapers and radio stations in any of those cities as with each other, so in each one of those radio stations and newspapers is a total independent operation as opposed—I do not say all of them; one or two—the *St. Mary's Journal*, for example, is a Thomson paper...

Mr. Blackburn: And Chatham.

The Chairman: And Chatham.

Mr. Blackburn: And Sarnia.

The Chairman: But most of these are independent.

Mr. Blackburn: And Woodstock.

The Chairman: I mentioned Woodstock; but the radio stations, for example, are all independent.

Mr. Blackburn: I believe so, as far as I am aware. I have no access to radio ownership information.

The Chairman: Let me go on just a little further. You then list all of the weeklies. You go on further in your presentation and you talk about all of the additional media voices which are available in the London market. And then on page 91 you say:

"Summarizing Mr. Fenn's analysis, I draw to your attention the following facts. Circulation within the City of London."

This is page 23, No. 91. You say:

"The *London Free Press* reaches 54,793 homes."

We have agreed that this is, you say, dominant coverage, and I say overwhelmingly dominant coverage. There are not more than fifty-five, fifty-six, or fifty-seven thousand homes in London, you know, roughly.

Mr. Carradine: That is about 95 per cent.

The Chairman: Yes. Then as an indication of the other media newspaper voices available in that community, you list the other daily newspapers which are sold in London and which have a total circulation of 6,459.

I must say I am surprised. You even list the University of Western Ontario's *Gazette* with 10,000 readers. The *Weekend Magazine* with...

Mr. Blackburn: It is a good weekly newspaper during the academic season.

The Chairman: There is a point, of course, I am going to make. Let us take the other daily newspapers coming into London; for example, the *Toronto Telegram* or the *Toronto Star*, or some of the others which you list—I think the *Brantford Expositor* was one, or the news magazines which you list, or the weekend magazines.

Do they in any way, shape or sense compete with *The London Free Press* in terms of local news coverage?

Mr. Blackburn: In terms of local news coverage, it depends how you define "Local news coverage." *The Globe and Mail* does cover the London news which it considers to be of interest to its readers.

The Chairman: Surely it does not cover the London news which the citizens of London consider of interest.

Mr. Blackburn: Yes, some of it.

The Chairman: Does the *Globe and Mail* cover every meeting of the London City Council?

Mr. Blackburn: No.

The Chairman: Your paper does, and in depth.

Mr. Blackburn: The *Globe* would cover only that part of the City Council meeting which might be of general interest.

The Chairman: Mr. Blackburn, I take the point in your brief that I went too far in the Senate in describing *The Free Press* as enjoying a monopoly. You correctly pointed out there are a multiplicity of other media voices but I would suggest to you with great respect, sir, that *The London Free Press* does enjoy a monopoly when it comes to substantive local news coverage, and indeed when it comes to local newspaper advertising.

Mr. Blackburn: With respect to advertising I suppose generally speaking you might be right, but here are the last two issues of the *University Gazette*. There is local advertising in them.

The Chairman: Is there coverage of local London area developments?

Mr. Blackburn: I think there has been on occasion. In those issues I would say that...

The Chairman: Here is the issue of January 17th. The headline is "Faculty asks 17 per cent raise." I think that is a local issue.

The sub-stories are "Library problems just beginning, says report." The main story of the January 16th issue is "Nixon is dumb."

I do not know whether you are nodding your head in agreement or not.

Mr. Blackburn: No.

The Chairman: You asked me to look at local advertising, so let us do it. There "Evelyn Wood Reading Dynamics Institute" "Career Assessment Limited"—here are some car dealers.

We have people from the student press coming before our Committee I think in March, and as I recall from the briefs we have seen on the student press one of their great complaints is that they are unable to attract any degree of national advertising, and much of this advertising is, you know, at the expense of the *London Free Press*.

Mr. Blackburn: I do not know whether it is or not, frankly.

The Chairman: May I keep these?

Mr. Blackburn: Yes, indeed.

Mr. Carradine: We also have, Senator, have, competition as far as local news coverage is concerned from the three radio stations and one television station.

The Chairman: I am glad you brought that up because I had intended to. Let us talk about that. Do you believe, as a newspaper executive, that radio news is as satisfactory, is as comprehensive, is as complete, is as detailed, is as informative, as are the newspapers in the *London Free Press*?

Mr. Carradine: As a newspaper executive I would have to say absolutely not. Nonetheless they do cover City Council; they do cover most of the other important local news going on in the community. They have their own news-gathering staffs. They cover all the news which we cover as far as the City Council is concerned and they are directly competitive with us in this area.

The Chairman: So if I am a concerned citizen of London who is interested in municipal affairs and in local activities, who really wants to know what is going on in the city and who wants a meaningful understanding of municipal affairs in London, I do not have to buy the *Free Press*.

Mr. Carradine: I would suggest if you want news in depth of what we consider to be meaningful coverage of the events at City Hall, you should buy the *London Free Press*.

The Chairman: I agree with you.

Mr. Carradine: But I am not suggesting that you can obtain it only in *The London Free Press*. I believe the broadcasting people will say they give very good coverage of the events at City Hall.

The Chairman: Well, all right. We can leave it at that. You know, I agree with your

first statement. I think radio just does not give the kind of in-depth news coverage which many citizens want.

Mr. Blackburn: Not in-depth coverage, but actually good highlight coverage. Depending on how you identify "in-depth." But the radio stations of London will record interviews with the mayor or other members of the municipal government and going into the story of interest in greater depth than just stating "such-and-such occurred." This is to a degree in-depth coverage.

The Chairman: You mentioned, just speaking of news on the radio, on page 29, paragraph 118:

"The *London Free Press* publishes morning and evening editions and is scalped by three radio stations which compete with CFPL."

By that do you mean they read the morning *Free Press* and list things out of it and use it in their own newscast?

Mr. Blackburn: Mr. Chairman, we do notice an amazing similarity at times between some of the stories in our morning edition and some of the stories carried on the other radio stations.

The Chairman: Is this same practice carried on by CFPL?

Mr. Blackburn: Well, *The London Free Press* provides copies of its local news and stories to CFPL.

The Chairman: So the CFPL people do not have to do this?

Mr. Carradine: No; I beg to disagree. CFPL also has their own news-gathering staff which are doing basically the same thing as the other radio stations.

As to whether or not they have to scalp, not necessarily.

Mr. William Heine, Editor, The London Free Press: Mr. Carradine, the scalping process is not restricted to the radio stations. Most of the afternoon dailies in the area do a very thorough-going job of clipping the *Free Press*.

The Chairman: I am sure you look at the editions of those newspapers to see what they are saying. I think that is fair game.

Mr. Heine: That is right.

Mr. Carradine: They even make the same mistakes we do, the same day.

Mr. Heine: We try to put a mistake in deliberately once in a while.

The Chairman: The Free Press has presumably a series of local stringers, local reporters, out in the small municipalities adjacent to London; Dorchester and further out, I am sure. Do these same stringers work at the same time for CFPL?

Mr. Ivor Williams, Managing Editor, The London Free Press: Only insofar as the copies of the material that come into the newsroom are available to the radio stations, but they do not work for CFPL directly, usually.

The Chairman: But that is a great advantage which CFPL enjoys—I do not say this critically—it is a great advantage that CFPL enjoys over other radio stations in London.

Mr. Williams: Sometimes they do not seem to think so.

Mr. Blackburn: We find that they are very acute in monitoring our news broadcasts and they do not lag behind us very long.

The Chairman: You say that the total daily circulation of other daily newspapers sold in London is 6,459.

Mr. Blackburn: Yes.

The Chairman: Which is approximately 12 per cent of that of *The London Free Press*.

Mr. Blackburn: Yes.

The Chairman: What is the circulation of *The London Free Press* in those communities which have the newspapers comprising this 6,459?

Mr. Blackburn: Almost zero.

Mr. Carradine: The great majority of that, Senator Davey, is the *Globe and Mail* and *The London Free Press* has virtually nil circulation in the City of Toronto.

The Chairman: Yes, but you list in this total 6,459 and, as I recall—it is in the back of your brief, I know. Let us take a look.

Mr. Carradine: If you will turn to Exhibit G...

The Chairman: Yes.

Mr. Carradine: The second page or the first page after the title page should be "Analysis of print media circulation in the County of Middlesex," where you will see that in the

City of London 5,185 of that is *Globe and Mail* circulation. The rest is made up of the *Toronto Star*, the *Telegram*, the *Windsor Star* and the *St. Thomas Times Journal*, et cetera.

The Chairman: I think my point stands that in total you would sell more papers in the communities listed in that column than they sell in London; notwithstanding the fact that you sell very few newspapers in Toronto. For example, the *St. Thomas Times Journal* sell 62 papers in your city and you sell 3,000 in theirs.

Mr. Blackburn: Your statement is accurate, Senator Davey, with the exception of the City of Toronto, and the City of Windsor.

The Chairman: Well, please believe me, Mr. Blackburn; I do not want to chew this point endlessly to death, but you have made the point that you do not enjoy a monopoly and would suggest, in my opinion at least, that you have an overwhelmingly dominant position. I purposely...

Mr. Blackburn: We have a dominant position.

The Chairman: Let me quote from some material which you ran. This is an advertisement which appeared in the trade paper "Marketing." I would ask you whether or not this is not an overwhelmingly dominant position.

It says:

"Get the big plus, London plus Southwestern Ontario. There is really no media that gives you this plus coverage."

And then I quote:

"The London Free Press covers the market like a blanket."

Mr. Blackburn: That is right.

The Chairman: It says:

"The London Free Press covers the market like blanket. We reach over 90 per cent of all the householders in London. In our home County of Middlesex we reach over 91 per cent of all householders."

So perhaps in describing it as an absolute monopoly I went too far, but I think certainly you are in an enviable position.

Mr. Blackburn: I hope we will remain that way, sir.

The Chairman: Senators, I apologize for taking so long. I have only one other series of questions that I would like to ask, and then I will defer to the senators.

One is a very incidental question. I was interested on page 24, paragraph 95, you say:

"In addition, 98,396 copies of weekend magazines are distributed free. The Canadian is considered a part of The London Free Press but the newspaper has nothing to do with the Canadian's editorial or advertising policies."

Does that statement stand? I find it rather astounding that you have nothing to do with the Canadian's editorial or advertising policies.

Mr. Blackburn: In decision-making terms, we have nothing to do with it. I suppose I have gone maybe a bit too far. We do meet annually with the Canadian to discuss the magazine, and the publisher of the Canadian comes from time to time ask us what we think of the publication, so I think I would withdraw that paragraph 95 and substitute for it that The London Free Press has relatively little to do with the Canadian's editorial or advertising policies.

The Chairman: As I say, I am not trying to embarrass you. I just find this a startling statement. That is why I brought it up.

I would like to turn to the other question of radio coverage.

You talk about...

Mr. Blackburn: I am sorry. To explain that; he speaks in relative terms at times. We are not accustomed to being on the stand in this way.

The Chairman: You are not on the stand.

Mr. Blackburn: When I wrote it I considered it to be accurate because it happens relatively seldom and the end result of all this we really do not know particularly.

Sometimes they will carry stories that we suggest but in terms that I would think of, of influencing the editorial or advertising policy of a publication, we do not really.

The Chairman: Well, I was less interested in that as it relates to the Free Press than it does to the weekend papers themselves to whom we will be talking.

Mr. Blackburn: Yes.

The Chairman: Radio coverage: again I said in the Senate you have minimal competition and you suggest that you have substantial competition.

Mr. Blackburn: Yes.

The Chairman: I think we are hung up on semantics. I still think it is minimal and I am sure you think it is substantial.

I would like you to look at page 27, Section 106. You list the weekly reaches of the station CFPL as 135,100. CKSL, 65,200. CHLO, 51,000. CJOE, 41,000. And CKLW, 20,000.

Then in the next section you begin to add these reaches and compare them to London, which I would suggest to you is a little like adding apples and oranges because this is a device I used to employ when I sold radio advertising. I think that is a very questionable procedure.

Does not BBM also provide in its studies...

Senator McElman: You mean you used questionable practices?

The Chairman: Yes, yes, with limited success. Does not the BBM also provide daily reach statistics? Does it not also provide average audience reached at a particular time of the day and give the cost per thousand?

Mr. Blackburn: Mr. Chairman, I would ask Mr. Brown to answer that question.

Mr. Brown: Yes, Mr. Chairman. We used weekly reaches, only one method again to be consistent there. BBM measures in various ways. It measures by each quarter-hour. Actually, if we were to show you quarter-hour comparisons throughout the day competition even becomes more dramatic at times because we are not the dominant station in many time periods, but in total reach we are.

The Chairman: When during the day do you have your biggest audience?

Mr. Brown: From seven in the morning till about ten-thirty.

The Chairman: Is that not true of most radio stations right across Canada?

Mr. Brown: Yes.

The Chairman: So the big, blue-ribbon, premium time, the time the agencies want to buy, the really sort of dominant time period in broadcasting, is eight o'clock; I suppose the eight o'clock news?

Mr. Brown: Yes.

The Chairman: May I quote your BBM at eight o'clock in London and London area stations? In 1969, October I believe it was, CFPL had 55,000 listeners; CKSL had 20,000; CJOE has only 4,800; and your FM station has 6,000, which is 1,200 more than CJOE has. And I would suggest those are the kind of figures, Mr. Brown, that can be added.

You find that CFPL plus the FM station has more than twice as many listeners at eight o'clock than all the other competitors put together.

Mr. Brown: That is correct, Mr. Chairman, and you are doing a magnificent selling job.

The Chairman: That is right. I realize I am. I would suggest that that is minimal competition.

Mr. Blackburn: I would like to note, Mr. Chairman, that on FM in the 8 a.m. news period we are carrying the CBC news, which is the eight o'clock news.

Mr. Carradine: The World at Eight.

The Chairman: Is that on your station or CFPL-FM?

Mr. Carradine: On FM.

The Chairman: The World at Eight on FM at London has 1,200 more listeners than the third radio station, CJOE.

Senator Beaubien, you take note of that.

Mr. Brown: That is true. I would simply like to add that I think this is to the radio station's credit. After all, there are four other stations in the market. They all have relatively the same power. They all have the same opportunity to attract an audience. I think this is to CFPL's credit that it is the number one station.

The Chairman: What is the power of the station?

Mr. Brown: They are all 10,000 watts except CHLO which is now moving to ten thousand.

The Chairman: I did not even deal with CHLO.

Mr. Brown: Well, it is a very strong contender because it appeals to the youth market.

The Chairman: Well, they are all 10,000 watts. What are their dial positions?

Mr. Brown: Well, one is 1410 and the next is 1290, and we are 980, and CHLO is 680.

The Chairman: I see. Of the three London stations, that is CJOE, CKSL and CFPL, is not 980 the more desirable position on the dial technically?

Mr. Brown: By very little. I would say we are very restricted in our nighttime coverage. Our daytime is slightly better than the other two stations.

The Chairman: How long has CFPL been on the air?

Mr. Brown: Forty-three years.

The Chairman: How long has CJOE been on the air?

Mr. Brown: Three years.

The Chairman: And CKSL?

Mr. Brown: About twelve or thirteen.

The Chairman: The only point I am making again is that I think that the competition is minimal.

Let me put it this way. I will go this far. Perhaps the competition is not minimal but certainly do not think it is substantial, Mr. Blackburn, as you suggest in the brief.

Mr. Blackburn: I must disagree with you Mr. Chairman.

The Chairman: Please do.

Mr. Blackburn: We each have our own views.

The Chairman: I have some other question but I have taken much too long. I would like to turn to some of the senators.

Senator Everett?

Senator Everett: Mr. Blackburn, what company owns CFPL?

Mr. Blackburn: CFPL Broadcasting Limited.

Senator Everett: And it owns the radio and the television station?

Mr. Blackburn: Yes.

Senator Everett: And the FM station?

Mr. Blackburn: Yes.

Senator Everett: What company owns The London Free Press?

Mr. Blackburn: The London Free Press Printing Company Limited.

Senator Everett: And is *The London Free Press* its only substantial asset?

Mr. Blackburn: It is its only asset really, except...

Mr. Beverly E. Lanning, Vice-President, Finance, and Treasurer, The London Free Press: Apart from short-term investments.

Senator Everett: Right. Now, how many common shares are there of The London Free Press Printing Company Limited?

Mr. Lanning: There are 1,200 common shares.

Senator Everett: How many shares of CFPL Broadcasting Limited?

Mr. Lanning: The same number.

Senator Everett: Who owns the 1,200 shares? Who are the shareholders of the 1,200 shares in each of those companies?

Mr. Lanning: The ownership of the common shares is set out in the chart for you in Exhibit F of the brief. You can see from that, 25 per cent of them are owned by The Southam Press and remainder by The London Free Press Holdings Ltd.

Senator Everett: Twenty-five per cent are held by Southam Press?

Mr. Lanning: Yes.

Senator Everett: And the remainder by The London Free Press Holdings Limited?

Mr. Lanning: Yes.

Senator Everett: That would be 300 shares held by Southam Press, in each of the two companies?

Mr. Lanning: Yes.

Senator Everett: Would it be 900 shares...

Mr. Lanning: I am sorry; I am confusing you. If we are talking strictly common shares—all of the common shares are owned by The London Free Press Holdings Limited.

Senator Everett: Oh, yes; of both companies?

Mr. Lanning: Of both companies; and of The London Free Press Holdings company, Southam Press owns 25 per cent, and the Blackburn family owns 75 per cent.

Senator Everett: The Blackburn family. Do they own that in a corporate structure?

Mr. Lanning: Yes.

Senator Everett: Could I have the name of that, please?

Mr. Blackburn: It is called Blackburn Holdings Limited.

Senator Everett: Blackburn Holdings Limited. How many shares of London Free Press Holdings Limited does Blackburn Holdings Limited own?

Mr. Lanning: 74.8, to be precise.

Senator Everett: The number of shares; not the percentage now.

Mr. Lanning: 99.6, I think it is, or 99.8. Whatever 74.08 per cent is.

Senator Everett: Would it be 889 shares?

Mr. Lanning: Yes, that is right.

Senator Everett: What about the other eleven shares; where are they?

Mr. Lanning: They are owned by Mrs. Lester.

Senator Everett: Who is Mrs. Lester?

Mr. Lanning: Her history is given in the brief.

Mr. Blackburn: Mrs. Lester is the granddaughter of one of the original newspaper shareholders, and her interest evolved by succession from her grandfather.

Senator Everett: Where does Mrs. Lester live?

Mr. Blackburn: North Madison, Ohio.

Senator Everett: Now, The London Free Press Holdings Limited has only common shares outstanding, 1,200 common shares; no other class of shares?

Mr. Lanning: That is right.

Senator Everett: And CFPL Broadcasting Limited, does it have any other class of shares?

Mr. Lanning: It has two other classes, two types of preferred shares.

Senator Everett: How many of those preferred shares are there? What type of preferred shares are they?

Mr. Lanning: One is voting preferred shares and the other is not. Both of them bear interest rates of normal preferred shares except one is voting and one is not.

Senator Everett: Let us deal with the voting shares. How many voting preferred shares, are there?

Mr. Lanning: In the company are you talking about?

Senator Everett: Let us deal with CFPL Broadcasting Limited.

Mr. Lanning: There are 120,000 less about eleven shares, I think; or in that order. I am sorry; I do not have the figures with me.

Senator Everett: Would it be 1,100 shares?

Mr. Lanning: Eleven hundred, yes.

Senator Everett: It would be 118,900 preferred?

Mr. Lanning: Yes, that is right.

Senator Everett: And those are the voting shares?

Mr. Lanning: And those are voting shares.

Senator Everett: Can you tell me how they are distributed?

Mr. Lanning: In the same ratio really as the common, the same ratio as the ownership of the common shares.

In other words, Southam has 25 per cent and Mr. Blackburn has just under 75 per cent, and Mrs. Lester—no, I am sorry; in Broadcasting, that is it.

Senator Everett: So Southam would have thirty thousand of the capital B preferred voting?

Mr. Lanning: Yes.

Senator Everett: There is a difference, is there not, because Blackburn—I may have the name incorrectly—Blackburn Holdings Limited does own 889 of the common shares. Are you a shareholder in Blackburn Holdings?

Mr. Blackburn: No, I am not.

Senator Everett: Would it be true to say that your children are?

Mr. Blackburn: Quite true.

Senator Everett: Now, of the B preferred, are those held personally by you, Mr. Blackburn?

Mr. Blackburn: Yes.

Senator Everett: So through the 88,900 B preferred, you have complete control, or effective control?

Mr. Blackburn: Yes, effective control.

Senator Everett: Actual control.

Mr. Blackburn: Yes.

Senator Everett: But the equity is distributed between yourself or your children—

Mr. Blackburn: Yes.

Senator Everett: To Blackburn Holding and Southam.

Mr. Blackburn: Yes; and Mrs. Lester.

Senator Everett: With eleven shares.

Mr. Blackburn: With a small holding, yes.

Senator Everett: In The London Free Press Limited does the same situation exist there?

Mr. Lanning: Yes. The only variation, senator, is in Mrs. Lester's holdings. If you would like, I can go into that.

Senator Everett: I understand she has 1,100 of the B preferred but substantially, then, you control through the B preferred The London Free Press Limited and CFPL Broad-Casting Limited.

Mr. Blackburn: Yes.

Senator Everett: But you have frozen your assets because your net worth cannot increase on account of these preferred. Any increase in your net worth then accrues to The London Free Press Holdings, in which you do not have any shares? They are held by Southam...

Mr. Blackburn: Yes, in effect.

Mr. Lanning: That is right.

Senator Everett: Coming to the Estate Tax problem, this concept that you have that the Estate Tax Department would value your shares or value the newspaper on the basis of ignoring goodwill and also valuing the assets on undepreciated capital cost. Is that right?

Mr. Blackburn: Correct.

Senator Everett: Would it be true to say that what you are suggesting is that the Department value a newspaper's assets on the basis of its tangible net worth?

Mr. Blackburn: Yes. It is a book value basis.

Senator Everett: In other words, a straight book value.

Mr. Blackburn: Yes.

Senator Everett: In reading that I could not determine whether you were suggesting this to be confined to newspapers only or whether you are suggesting this be available to other businesses or indeed to all businesses; at one point in your brief you talk about private business, and then in another you talk about newspapers.

Mr. Blackburn: Yes. Well, one wonders how far one should go before this Senate Committee, because you are interested in mass media. My personal preference would be to extend this same principle to other businesses of a similar nature but not the media business.

Senator Everett: Other businesses?

Mr. Blackburn: Of a similar nature, owned by individuals or individual families.

Senator Everett: In the media business.

Mr. Blackburn: Outside of the media business, to answer your question.

Senator Everett: So you are saying this rule would apply to all private business?

Mr. Blackburn: In my opinion, yes.

Senator Everett: That all private business, if there is a devolution, the value of the company should be on the basis of book value?

Mr. Blackburn: Yes, when they are the kind of business which is in the public interest to see continue, such as a family or individual holdings.

I have seen in London, Senator Everett, several old businesses—one of them for example, is Gorman-Eckert, which is a spice company owned by the Gorman family. It was sold several years ago to McCormick United at Philadelphia, I think, or wherever they are; and I know the Estate Tax problem was the basic problem in this particular sale. So there is an old London firm being bought by an American company because of this Estate Tax problem.

Senator Everett: Yes. I think I understand the problem.

Mr. Blackburn: There are other businesses. This is not unusual.

Senator Everett: I think I understand the problem but what I am more seeking was a definition of a company that should continue as a private company because it is in the public interest.

Mr. Blackburn: I was afraid you would ask me that, and I have to leave it to the legislators to determine what in their opinion is in the public interest in this respect. I think the interest will go beyond newspapers or the media.

Senator Everett: Would you think a car dealership was in the public interest?

Mr. Blackburn: I would leave that for you, Senator Everett, but I would be inclined to answer "Yes."

Senator Everett: Just for the moment I would like to deal with this question of postal rates. Were you affected by the Department's action on postal rates?

Mr. Blackburn: We were, Senator Everett; and Mr. Carradine will deal with that.

Mr. Carradine: Yes. To answer your question directly, we were affected. We had 18,000 mail subscribers at the time the post office department brought the increased mail rates into effect and as of the present date we have lost—ten thousand of those have refused to renew their subscriptions at the higher price.

We are concerned about this because what this means is that 10,000 families in our market area are unable to receive a newspaper. They are unable to receive the news which we believe they need to know unless they are prepared to pay a much higher price.

Senator Sparrow: What is the difference in price?

Mr. Carradine: It went from \$22 to \$44, which will be the end result. There was a three-stage package. It was implemented over—it was a three-tier increase. The final price would be \$44.

Mr. Blackburn: Mr. Chairman, ten thousand was the gross loss. Some of that has come back in other ways since that time through dealerships and in other ways.

Senator Everett: Do you think the rate increase was unfair?

Mr. Blackburn: The postal rate increase?

Senator Everett: Yes.

Mr. Blackburn: Unfair to the rural subscribers of newspapers, yes.

Senator Everett: You are not concerned about it being unfair to *The London Free Press*?

Mr. Blackburn: It was not unfair to us in that sense. Really I felt it was too great for any sensible increase. It was 300 per cent.

Mr. Carradine: It was 224 per cent.

Senator Everett: The postal department made the point they did not feel they should have to subsidize a newspaper company.

Mr. Carradine: Mr. Kierans said...

Mr. Blackburn: In fact, Senator Everett, the postal department was not subsidizing *The London Free Press* or to my knowledge any other newspaper in Canada. It was subsidizing, and I guess unknowingly or knowingly, as the case may be, the rural reader.

Senator Everett: Fair enough.

Mr. Blackburn: ...or the reader who receives his newspaper by mail, which in our case was the rural reader; not necessarily *Le Devoir*.

Senator Everett: Do you believe the reader was being subsidized by the post office department prior to the rate increase?

Mr. Blackburn: Yes, I think he was. He did not know it either but he must have been.

Mr. Carradine: He was subsidized to the extent our rural rate was lower in the rural area than it was in the City of London, for example.

Senator Everett: Do you believe that he should be subsidized?

Mr. Blackburn: I think it would be in the public interest to do this, yes.

Apparently the rural reader, at least in our experience, is unable or unwilling to pay the price which he must pay if the rate for that circulation is to be equitably established with respect to our other rates and that there should be no subsidies therefore for him through our other subscribers or through our advertisers.

Senator Everett: Well, then, looking at your view on that...

Mr. Blackburn: We are unable to subsidize out of profits. The figure is too gross.

Senator Everett: Looking at your view on that and your view on the Estate Tax Act, do you think that newspapers have a special status, a special position in society, that can give rise to that sort of special consideration?

Mr. Blackburn: I think the public thinks we have. They depend on us for information to a substantial degree. As for a special position, I would have to know more specifically what you mean by that.

Senator Everett: It is a very general question.

Mr. Blackburn: Yes. And I think there are other very special...

Senator Everett: I am trying to establish in my own mind whether as Mr. McCabe says—"Look here, you are just dealing with an ordinary corporation. We are no different than anybody else"—or whether in fact we are dealing with something that is really quite special and that no matter how we make like to treat everybody the same, we are going to have to consider in the interests of the newspapers and in the interests of the public, special benefits and special rules, such as estate tax provisions and postal rates.

Would you agree that is a fair statement?

Mr. Blackburn: I agree that is a fair statement.

Senator Everett: I am going to ask you a nasty question. Your national rate on your newspapers is fifty cents per agate line. It is a flat rate. Out of that, I believe, you pay the agency a commission of fifteen per cent which would mean that your net rate would be 42½ cents a line.

Your local rate runs from a low of twenty-seven for two million lines on a contract to a transient rate of forty-four.

Your average projected for this year would be 31.6 cents per agate line from national advertising. I think I am correct in that it has that from your own people.

Mr. Carradine: 31.6 for local advertising.

Senator Everett: That is retail advertising, that is right.

Mr. Carradine: Projected for 1969.

Senator Everett: So that your average retail advertising is 31.6 per agate line and

the average for national advertising is 42½ cents per agate line. That is as large a difference as I have ever seen between national and local, although I could be corrected on that.

It seems to be a very, very large difference. Do you have a policy to force national advertising onto your television station?

Mr. Blackburn: Heavens, no.

Senator Everett: Do you use a high national rate in your newspaper to do that?

Mr. Blackburn: No, sir, no, sir; not whatsoever.

Mr. Carradine: Just for information: I have had advertising people say they find it extremely difficult to buy time on our television station simply because it is booked up. Therefore, it would be illogical for us to try and force more national advertising on television.

Senator Everett: Indeed it would, that is right.

Mr. Blackburn: And from a competitive standpoint I would have no desire to do that whatsoever.

Senator Everett: I have one last question. I am sorry; did you have something else to say?

Mr. Blackburn: I was asking Mr. Carradine, and possibly Mr. Fenn knows, what our mill rate national rate is relative to other newspapers in Canada.

Mr. Carradine: It is not out of line.

Mr. Fenn: It is well in line with the major markets across Canada; in fact, lower than some and higher than some. I would say that on the average our mill line rate is sound and equitable in comparison with any other newspapers across Canada.

Mr. Blackburn: We would be glad to file that information with you in that respect. I am feeling an inference here that our national advertising rates are high relative to other newspapers in Canada. I do not believe this to be so.

Mr. Fenn: No, absolutely not.

Senator Everett: No. There was no inference meant in that direction. The inference was that the difference between the local rate and the national rate of roughly 11 cents a line seemed to me to be inordinately high.

Mr. Carradine: You have to keep in mind the circulation of our morning newspaper and the circulation of our afternoon newspaper. This is the basic difference which we have from most other newspapers in Canada, Senator Everett, where we have very wide circulation of our morning newspaper throughout Southwestern Ontario, which our national advertisers can take advantage of.

Senator Everett: Yes, that is right.

Mr. Carradine: ...and we have circulation of our afternoon edition only in the City of London basically, which our local advertisers, to a large extent, take advantage of. This is the reason for it.

Senator Everett: Are these rates that you charge for both newspapers?

Mr. Carradine: Yes; total circulation.

Senator Everett: So that for 50 cents a line you get morning and evening as one?

Mr. Fenn: That is right.

Senator Everett: And you feel the difference is justified by the fact your morning newspaper has such a wide coverage outside the City of London?

Mr. Carradine: We feel it is justified; for example, the Coca Cola advertising takes advantage of our total circulation.

Senator Everett: Right, yes. Indeed. One last question. Are you doing anything to improve the standards; are you investing any money in improving the standards of your editorial writers? Is schooling being done?

Mr. Blackburn: I would like Mr. Honey to answer that, if you would like.

Mr. Honey: I think our best investment in this regard is the freedom that the editorial staff of this newspaper has to hire good people. We employ reporters. I think twenty-one of our eighty-five editorial staff are university graduates. We hire the best people we can find and we pay them salaries which—I must say some of us feel our neck a bit because the personnel department keeps pointing out that in comparison with similar newspapers we are paying people more than appears to be the case elsewhere.

This is because we are hiring good people. This is an investment, the best investment any newspaper can have.

In addition we are putting money into scholarship programs at the University of Western Ontario. The details are all in the brief.

Senator Everett: Can you tell me how much?

Mr. Honey: We pay three or four people per year \$250 towards their tuition and we undertake to provide them with employment throughout the summer months at a minimum of \$1,000 a year, and it is usually quite a bit more with higher salary rates now.

We do not hesitate to spend money to educate our staff on the available courses in the United States. A.P.A. and other such seminars, where we send people down to New York for two or three weeks at a time. We are training and spending money on people constantly, and I feel no financial inhibition whatever in spending that money to train people.

Senator Everett: So if you have a raw reporter, he gets more than just on-the-job training. You have a program for the formal training of that reporter.

Mr. Honey: No, but he tends to get on-the-job training as a raw reporter, but increasingly raw reporters come in at the smaller papers and we are hiring increasingly better-trained people, people who have had considerable experience in the media, and university graduates.

Senator Everett: Do you feel an obligation to hire raw reporters and have a training program for them?

Mr. Blackburn: Mr. Williams might wish to answer that.

Mr. Williams: Yes. No, I do not feel we have an obligation except for our own product, and so our training is inherent all the time to improve our own product, so that means the marketability of the individual as well; so by improving him we are apt to lose him.

Senator Everett: I am sorry; I do not follow that.

Mr. Williams: By making him more saleable in the profession. We train people and they are just as apt to go to another newspaper, more desirable for another newspaper.

Senator Everett: Is that an argument against training?

Mr. Williams: No, we are doing it all the time knowing this may help them to go somewhere else.

Mr. Carradine: Keeping good staff, sir, is a function of both training and good wages. We have both.

Mr. Blackburn: I think to answer your specific question, Senator Everett, yes, we do feel a responsibility for training our people and in fact exercise such responsibility. They are trained.

Mr. Williams: But we do not run a school for other newspapers.

Senator Everett: No, I understand that. One of the great problems in the newspaper business is new talent on the editorial side.

Mr. Blackburn: Yes.

Senator Everett: Your approach would be to let the small newspapers hire them and give them their initial training and then when they had made it through there, you will hire them?

Mr. Blackburn: None of the university graduates. The others, yes, for the most part.

Mr. Carradine: With our scholarship program we have eight to ten journalism students in the newspaper every summer working with us.

Senator Everett: Do they tend to stay with you.

Mr. Carradine: When we can get them to yes, they do.

Senator Everett: They do.

Mr. Williams: We take one or two. There are not always an opening. Our staff turnover is very low. I think in the last two years we have lost no more than half a dozen, seven or eight good people. It used to be a dozen year some years ago.

Mr. Carradine: We are keeping the good ones, and we have got a reverse flow, as the brief mentions. People are coming back who used to work for us and have developed skill in other areas, and remember what the working conditions are, and they came back, sometimes for less money.

Mr. Blackburn: Mr. Chairman, may I draw to the attention of the members of the Committee that present today are 18 students

from the School of Journalism of the University of Western Ontario and two professors. They are sitting on my right.

It might be that the senators would wish, if that happy hour comes when our evidence has been completed, to speak with them in the hall.

The Chairman: Perhaps this is a good time for me to make a comment about the happy hour. Before I do that I should say that the Dean of Journalism at the University of Western Ontario is going to appear as a witness before the Committee. I believe it is next Wednesday night that we will be welcoming him.

Mr. Williams: Before you do that, I gather you are about to adjourn?

The Chairman: No, I am not.

Mr. Williams: May I speak to that point?

The Chairman: It is apparent there are many other questions. I have had notes from senators indicating they would like to pursue particularly the second document, Mr. Carradine's document, which we really have not had a chance to talk about.

We had planned on giving the senators a night off this evening, but we have polled the senators and found that they would be more than willing—in fact, they would like to return here this evening at seven-thirty and meet you again.

We hate to lean on you, Mr. Blackburn, but you have much to contribute.

Mr. Blackburn: Your wish is our command, s.

The Chairman: We would be very grateful.

Mr. Carradine: I believe Air Canada would be most unhappy with you, Senator Davey.

The Chairman: Well, I have been unhappy with them on countless occasions.

I was going to say to the senators, please remember we will adjourn presently. We are meeting the *Brantford Expositor* at two-thirty and we have *Le Droit* at three-thirty, and then we will meet this evening at eight o'clock and we will ask the Free Press people, as many as you can bring—if there are some that must get back, we would certainly understand.

Mr. Blackburn: Our editorial man, sir, has planned to return.

The Chairman: That is fine.

Mr. Honey: We will be here.

The Chairman: As many as you can bring. I know there are a lot of other publishers in the room. I hasten to assure them that this is not a precedent. It is simply that we are terribly interested in the presentation and there are many other questions which we have not asked.

Therefore, the night off is cancelled, and so we will meet at eight o'clock tonight. For now, I think we can adjourn.

The Committee adjourned.

(Upon resuming at 2.35 p.m.)

The Chairman: Honourable senators, if I might call this meeting to order.

This afternoon we are going to receive two briefs. The first is from *The Brantford Expositor*, Brantford, Ontario. Sitting on my immediate right is Mr. Jack Preston, the President, Publisher, and General Manager of *The Expositor*.

On my immediate left is Mr. Peter Preston, the Vice-President, Publisher, and Executive Editor.

Sitting on Mr. Jack Preston's right is Mr. Pollard, who is a director of the company.

Now, Mr. Preston, pursuant to our request we received a number of weeks in advance, copies of the brief which you were kind enough to prepare. The brief has been circulated to the senators. Presumably it has been read and studied.

In keeping with the procedure we have followed at these meetings we are now able to receive an oral report from you, which you perhaps could take ten, fifteen minutes, if you wish. You certainly do not have to, but in the time you can amplify upon, explain, or expand upon your brief; or indeed say anything else which may be in your mind. Or, if you would prefer, we can proceed right to the questions.

Mr. Jack Preston, President, Publisher, and General Manager, The Brantford Expositor: Well, Mr. Chairman, honourable senators, there are one or two points I would like to add to our brief.

The Chairman: My all means.

Mr. J. Preston: I am only going to be very brief.

I am sure that from these hearings will come a better understanding of the complexities newspapers face in providing that flow of information and comment that is vital to a democratic society and thus to the freedom of all Canadians.

It is crucial to that freedom that Canadians not only speak their minds but have the means to spread their views and inform themselves of the views of others. There is no more effective way for them to exercise this freedom than through the printed word.

Only through that medium can they be adequately informed of what is going on in their own and other countries. Newspapers are the public's prime source of information. A typical news broadcast on radio or television rarely exceeds 1,200 words, which equals no more than one newspaper column, whereas most daily newspapers print seventy-five to a hundred and twenty or more columns of news each day.

Only in the newspapers can the public find a wide range of reports of public meetings and of the proceedings of legislatures and other public bodies. And besides serving the public's right to know more fully than any other media, newspapers provide, through letters to the editors, an unrivalled channel for the expression of public opinion.

Do you realize that as we meet here this afternoon, almost all the type used in today's *The Expositor* has been dumped and that we are now setting out the forms for tomorrow's newspaper?

I know of no other business where once the product has been manufactured the staff immediately start to dismantle their handiwork and throw it all into the hell box. We are crazy.

None of us in this room can accurately forecast what will be the main news stories tomorrow. No daily newspaper will be certain of that until the pages are ready for the press. Even then at the last minute we may have to re-plan one or two pages for a late-breaking story that must be included that day.

One witness before the Committee said that many newspapers in single markets just fill their columns with Canadian Press material and forget about the rest of the local news.

Between now and tomorrow's deadline Canadian Press will send us about 45 columns of news. How this would fill our 120 columns that witness did not explain. Even if we used all of the 45 columns of CP news, which we

almost never do, we would still have 75 columns to be filled by our own staff; reporter, editorial, and photographic.

As you will have found when travelling outside Canada the coverage of Canadian news by foreign newspapers, even some of the most respected, is next to negligible. Even a Canadian federal election gets scant coverage across the border.

And during Stanley Cup playoff time just try to find the results of the games in American newspapers, unless the city in which you are staying happens to be involved. There, there might be a short story.

I am unable to count the number of Brantford citizens who on returning from trips outside Canada have said how glad they are to get back to a good newspaper that gives them such excellent coverage of events around the world. I am sure this applies to every newspaper in Canada and every newspaperman could make the same statement most sincerely.

In emphasizing the role and performance of the press in relation to freedom of information I have particularly in mind a question asked by your Committee at earlier sittings. This was whether there should be a council to control advertising rates in single newspaper markets.

The Expositor wishes to be recorded as opposed to any such control. In our view would open to the way to government control of the press and pose a threat to both press and individual freedom of expression, nor should it be overlooked that any control of rates would compel control of wages and other operating costs.

There is no need for any controlling body regulate advertising rates of newspapers. Even in a one-newspaper city we face strong competition for the advertising dollar from radio, TV, and even throw-aways distributed either by the Post Office or by distributing agencies. All these take advertising dollars from us, and if an advertiser thinks our rates are exorbitant he has recourse to the other means.

Mr. Chairman, those are our comments.

The Chairman: Mr. Preston, thank you.

Mr. J. Preston: We are ready to file questions.

The Chairman: Good. Thank you so much. I think that the questioning this afternoon will begin with Senator Sparrow.

Senator Sparrow: In reference, Mr. Preston, to your written brief, in it you refer to taxes and particularly succession duties. And this appears in a number of briefs.

Have you a recommendation, particularly on succession duties? Are you inferring there that there should not be succession duties? You don't state it. Or should they be on a different basis, on a different percentage basis? Should there be special provisions for newspapers or family-owned newspapers in regards to succession duties in comparison to other industries?

Mr. J. Preston: Well, Senator Sparrow, our feeling at *The Expositor* is that we in the newspaper business feel that we should have no special privileges that any other citizen does not have.

Now, I know one of the problems you are facing is the change of ownership of independent papers, but we do not feel that we would like to recommend any particular form of legislation that would be beneficial to the Preston family, for sake of argument.

Senator Sparrow: Succession duties as such, when, are a bad policy for all industries? You're comparing them all together?

Mr. J. Preston: Yes. I think any small company, sir, is faced with the same problem, trying to keep it under the control of the family, if it is a family corporation.

Senator Sparrow: Right.

This is a second question really, but it might tie in. You get four—I think the statement was four or five requests per year for the purchase of your newspaper. And you inferred that some of them you felt were American offers from American companies.

Could you tell us why you are suspicious that it is American companies? Maybe at the same time you could answer us, if you in fact know that some of them are American companies, some of them Canadian companies? And are the existing Canadian chains making offers to you to purchase it?

I suppose a reason for this question is really to determine if the chains are actively trying to increase their holdings?

Mr. J. Preston: I think you have asked two questions. If I may try to answer the first one...

Senator Sparrow: Yes.

Mr. J. Preston: We are quite certain some of the offers could be American, because they

come from American buyers—I mean, firms that represent themselves as representing buyers. And I am thinking of a firm, John L. Parks, in North Carolina. He writes us every year, wants to entertain us whenever I am in Chicago for inland press meetings. I am assuming he is representing American interests. He may be representing Canadian interests.

We get the odd enquiry from a legal firm in the States. I am assuming that they know the control on advertising that exists. But we have to interpret it that they may be representing American interests. We don't know.

As far as the local chains (you are using the word; they don't like it; they like to call themselves "groups"), if we were to hold up our hand and say, "We are for sale," we would be trampled to death by three, and another one who is not in the chain business at the moment. But I know quite frankly that we only have to indicate that we would be for sale, and I am quite confident that all three chains would be nibbling.

And there is one other independent paper that has told me that, "If you are ever going to sell, let us know."

Does that answer your question?

Senator Sparrow: Yes, I think so.

Mr. Fortier: On that same point, if I may, Mr. Chairman...

The Chairman: Yes.

Mr. Fortier: Excuse me, sir.

Have the groups up to now ever made open approaches to you?

Mr. J. Preston: One very definitely.

Mr. Fortier: When was that?

Mr. J. Preston: Three days after my father died.

Mr. Fortier: Twenty years ago?

Mr. J. Preston: 1946.

Mr. Fortier: Any since?

Mr. J. Preston: No, there have been no firm offers. It has been a casual conversation. You know, you are sitting around having a drink. And I think it is half kidding and half not, quite seriously—"Well, when are you for sale?" and "Don't forget us."

Mr. Fortier: The same group?

Mr. J. Preston: All three.

Mr. Fortier: All three?

Mr. J. Preston: In one form or another.

Senator Sparrow: You would suggest, then, that they are actually endeavouring to increase their holdings?

Mr. J. Preston: I think so.

Senator Sparrow: You refer to the publishing of the list of the owners of your newspaper. And you refer that you feel it is not necessary because the subscribers in your area are familiar with the ownership, I believe you said, of your paper, as well as the radio stations, or whatever the case was.

Mr. J. Preston: Right.

Senator Sparrow: I think the question that was asked in the guidelines was really, I suppose, whether this was a wise move generally. Should newspapers publish their ownership on their mastheads?

Mr. J. Preston: Well, I can only speak personally. We feel in Brantford it would not mean very much. Your other papers carry various information on their mastheads: who owns it, who the publishers are, who the editors are.

I would suggest that in Toronto a list of the people that own the *Toronto Star* would be meaningless to the average citizen in Toronto.

Senator Sparrow: Even in your newspaper would you not suggest there are times when your newspaper goes outside of your given area, as an example, that readers may not know? Is there any reason why they should know, or should not know?

Mr. J. Preston: There is no reason why they should not know, as far as we are concerned. We have no objection to it in that sense. It is owned by the Preston family. Period. We make no bones about it. And most people know that in our area that have any interest in it.

Mr. Peter Preston, Vice-President, Publisher, and Executive Editor, The Brantford Expositor: It is in our masthead every day anyway.

Senator Sparrow: Is it?

Mr. J. Preston: Yes. We carry that the publishers are J. C. and P. M. Preston; it is in there every day—not as owners as such, but we are listed there as publishers.

Senator Sparrow: Going back to the chains just for a moment again, in your particular newspaper would there be any advantage to you news-wise or profit-wise to be connected with a chain? Would you find that you could in fact have a better newspaper if it was connected in some way?

Mr. J. Preston: I can't answer that, quite frankly, because we don't know. I could assume that, if we were owned by one of the groups, they would run it much more efficiently than we do, because there are things because of associations with people that we close our eyes to, for personnel and things like that, because it is a family concern. There was a time when we used to refer to it as "The *Expositor* Family."

And I know there are economies that any person who bought it would put into effect.

For instance, we feel that we must maintain staff in the building 24 hours a day for protection of the building. We know of other places that, when the last guy finishes his job he goes out and closes the door, and some personnel comes in the next morning; everybody has keys. We don't feel that way. And it is a rather expensive operation to maintain staff around the clock, over holidays and weekends and things like that. And I am quite sure that in some cases this would be curtailed.

But as far as producing a better newspaper as far as the news content is concerned, we like to feel that we are publishing as good a newspaper as can be published.

Senator Sparrow: Do you feel there is danger at the present time of chains increasing their holdings in Canada? Do you think that the trend is that way, and there is danger?

Mr. J. Preston: Yes, very definitely.

Senator Sparrow: Would you suggest that there is an area where some type of control may be necessary; now or in the near future?

Mr. J. Preston: This gets down to becoming a political problem really again, as was pointed out this morning.

I would hate to see every newspaper in Canada owned by the three chains. But I think in the long run something like that is going to be inevitable, unless there is something done to curtail it. And I have nothing to recommend what that should be.

Senator Sparrow: Thanks.

I pass for the moment, Mr. Chairman.

The Chairman: Mr. Fortier?

Mr. Fortier: Do you foresee the day, Mr. President, in the immediate or not-too-distant future, where the Preston family may have to accept to be trampled by one of the groups?

Mr. J. Preston: We have thought about it, yes, sir.

Mr. Fortier: Have you thought about it because you have become increasingly aware of the impact of succession duties?

Mr. J. Preston: Very definitely. I would say that up to three years ago we had no thought of ever selling *The Expositor*. Our thinking is settling along the line that we will eventually have to sell it.

Mr. Fortier: Have you so indicated to...

Mr. J. Preston: We have not. It is not on the market, please!

Mr. Fortier: No, no. You have made that very clear.

Senator Beaubien: We will start a rumour about you, if you like.

Mr. J. Preston: Just hold those horses in the back, will you?

Mr. Fortier: What has happened in the last three years that has brought about this change in the policy and outlook?

Mr. J. Preston: Well, the suggested succession duty problem is much heavier than Peter and I at the moment can contend with. Frankly, anything that we have is in the shares of *The Expositor*. We have no capital. So therefore if we are faced with a heavy succession duty something has to give.

Mr. Fortier: Would you see the advent of ownership by one of the groups in Brantford as a good thing or a bad thing for the community in Brantford? I am sure you have considered this.

Mr. J. Preston: I think we can do a better job for the City of Brantford privately-owned.

Have I answered the question?

Mr. Fortier: Yes, I think you can. This is a bit of a nasty question, but I will ask it anyway...

Mr. J. Preston: Shoot.

Mr. Fortier: In deciding eventually whether you will sell or not, will you think exclusively of your heirs, or will you think of your reading public in Brantford?

Mr. J. Preston: Well, if we were going to sell, sir, we would be selling because we would feel that we could not pass it on, or we could not retain it for our heirs. Peter has two sons and I have got one son, and we have each got a daughter as well.

Mr. Fortier: Would you approach the sale of your newspaper in the same way as you would approach the sale of any business concern? Or would you view it differently?

Mr. J. Preston: Well, we have talked about this a little bit.

Mr. Fortier: We would love to have your views.

Mr. J. Preston: Well, I think Peter agrees with me on this, that if *The Expositor* goes up for sale, as far as we are concerned it will go up for grabs and the highest bidder can have it. And neither of us will continue to work.

Mr. Fortier: And does your brother feel the same way?

Mr. P. Preston: Yes, I do.

Mr. Fortier: The highest bidder will get the paper?

Mr. P. Preston: I would think so, yes.

Mr. J. Preston: Depending on the terms of the highest bidder. You can have a high bid that is not very satisfactory financially.

Mr. Fortier: Have you ever considered the possibility of selling your newspaper to the community? This is a view which we had expressed before Christmas by Mr. Ryan of *Le Devoir*.

Mr. J. Preston: No, we have not, to answer it very quickly.

Mr. Fortier: As I mention this to you, how do you react?

Mr. J. Preston: Are you suggesting that it go public?

Mr. Fortier: In a way, yes, in a way—public insofar as the Brantford community is concerned. In other words, that interested citizens...

Mr. J. Preston: If they wanted to buy it from us on that basis, I don't think we would

object to that any more than we would object to any other buyer.

Mr. Fortier: You would not object to it, but would you conceivably make it a condition of sale that, rather than being farmed out to one of the groups, it continue to be locally-owned—not by the Preston family, but rather by Brantford citizens; you know, all money being equal?

Mr. J. Preston: Well, if the money were equal, this would be fine. But what guarantee have we got, if you say it must be owned by Brantford people, that the money is going to be equal?

Mr. Fortier: This is something which you have not considered?

Mr. J. Preston: No.

Mr. Fortier: No. Is there a radio station in Brantford?

Mr. J. Preston: Yes; CKPC.

Mr. Fortier: Is there a television station?

Mr. J. Preston: No, sir.

Mr. Fortier: Is there a table TV operator?

Mr. J. Preston: Yes, sir.

Mr. Fortier: Have you ever considered going into the broadcasting business?

Mr. J. Preston: My father thought about it before the war. When we got back from service overseas, he died; and we have never thought about it.

Mr. Fortier: You have never thought about it?

Mr. J. Preston: No.

Mr. Fortier: Is this because of a certain policy which you have adopted? Why have you not thought about it?

Mr. J. Preston: Well, we have looked at CKPC once or twice, and it was never for sale. And it was never for sale to the Preston family if it was for sale. We were told that very definitely. So at that point we stopped looking. And again I am going back fifteen, twenty years.

Mr. Fortier: Do you think it would be beneficial for your newspaper, Mr. Preston, to have an interest in the broadcasting medium in Brantford?

Mr. J. Preston: In some ways, yes; and in some ways, no.

Mr. Fortier: Could you explain it, please?

Mr. J. Preston: Well, it is a duplication really. I can see where the radio news staff could be of help to us in covering some things that we would not be able to staff. And we would do the same thing for them. But I think the competition that we have for new coverage in trying to... We try to beat the radio twelve-thirty noon newscast. And that is one point that I think is in favour of having it owned by some person else.

Mr. Fortier: And then the radio station use your news—scouts your newspaper?

Mr. J. Preston: I was going to come to that.

And then the other one is, it keeps our advertising staff on its toes, because they are competing against the radio station for the advertising dollar.

It would be fun to own it, but I am just as happy we don't.

Mr. Fortier: What are your views of multi-media ownership within a single community such as Brantford?

Mr. J. Preston: Well, I think I probably answered it in my previous answers; but I don't have it, so therefore we don't like it. We had it, we would like it—I think is about the size of the matter.

Mr. Fortier: You said in your very presentation earlier that you did not favour control by any agency of advertising rates—one-newspaper towns.

A question comes to mind: if there is regulation, how are your prices set? How does a play of competition come into being?

Mr. J. Preston: Well, let us take an advertiser like Woolco. Do you know the...?

Mr. Fortier: The department store.

Mr. J. Preston: The department store. They have an operation in Brantford; they have an operation in St. Catharines, Kitchener, Windsor, and so forth. And we renew the contract in Toronto every year. If our advertising rate is out of line for the service that we are giving them in relation to what they are paying in other markets they quickly tell us, and just say they won't buy.

Mr. Fortier: Yes, but you are dealing with a big buyer. Let us deal with a small buyer in Brantford, a small corner shoe store. I mean, he maybe is not in the same economic position that the Woolco department store may be in from a bargaining point of view, is he?

Mr. J. Preston: Well, let us take an independently-owned men's-wear store by the name of Ludlow's, a very good operation. If we were exorbitant George Ludlow would be climbing our frame.

Mr. Fortier: Possibly. Would that make you change your mind?

Mr. J. Preston: We would certainly reconsider it and re-assess, well, perhaps we are out of line. And every time any person challenges us on the policy of advertising, or editorial policy, or reporting policy, we sit down and look at it. And we thank them, as they have made us look at ourselves here. It has made us sit down and examine some of the things.

You know, you decide to do something ten years ago and it is accepted policy, and no person challenges it. And fine. And times have changed, and so forth.

We realize that every time advertising rates go up the small advertiser suffers. But, on the other hand, every time wages go up in the union negotiations something else has to go up.

Mr. Fortier: The small advertiser in Brantford, though, has nowhere to go, does he, but so your newspaper?

Mr. J. Preston: And the radio station.

Mr. Fortier: And the radio station?

Mr. J. Preston: Yes, that is correct.

Mr. Fortier: But you will agree it is a different type of advertising?

Mr. J. Preston: Oh, I quite agree. It is not nearly as effective.

The Chairman: On this subject of advertising—just to interrupt you for one moment—I would like to ask this. You make a comment in your brief that your national advertising range in 1966 was 131,000-some-odd inches; in 1968 it was down to 79,000. That is a rather dramatic decrease.

Mr. J. Preston: Well, I think some of the national dollars undoubtedly have gone to TV. Some probably have gone to magazines.

As I say in the brief we are in a very small market. You have been in the advertising business yourself, sir, and you realize people say, "Well, I can cover Brantford with over-the-air TV." After all, we do receive ten TV stations in Brantford, so it is very easy for an advertising agency buyer to say, "Well, Brantford is covered; fine."

We have done a little work on this in the last year. We are the only newspaper in an under-50,000 circulation last year, 1969, that showed a decrease in national advertising.

The Chairman: I was going to make that point. That is true.

Mr. J. Preston: We are the exception in this particular bracket. And we are concerned about it. And we have talked with people in Toronto. We have talked with national advertising representatives who are calling for other people; and they just cannot come up with any answer that can be made to stand up.

We hear the story, "Well, you were a depressed area. You got cited some years ago as a depressed area instead of a designated area"—which really turned out to be a boom for the city. But we have not been able to unsell that thought.

The Chairman: Does CKPC have trouble attracting national advertising, the same problem?

Mr. J. Preston: I would have to guess at the answer to that one, sir, because we hear that you can get any kind of a rate you want at CKPC. I am told—and I don't know this for a fact—that their rate card is not their Bible. Our rate card is.

I know there are times, fairly prime times, on the radio station that they do not have filled periodically, and perhaps they could carry more. I don't know.

The Chairman: So you really don't know whether they have the same problem as you?

Mr. J. Preston: I know that any time we talk to Dick about doing a joint promotion on Brantford, he says, "Okay, let us go. Anything we can do to sell Brantford, that is fine."

The Chairman: Do you use the radio station to promote your newspaper?

Mr. J. Preston: No, sir. We have at times. And they have used ours.

The Chairman: On a contra basis?

Mr. J. Preston: On a contra basis. It did not turn out to be very satisfactory.

The Chairman: I was going to ask you what you were doing to develop this national thing. I guess you have answered that by saying you are worrying about it.

Mr. J. Preston: We are worrying about it. We have men on the road, so to speak, making calls two days a week in Toronto. And twice a year they spend a week in Montreal calling on the agencies and advertisers. We are sending out promotion material at all times.

The Chairman: Sorry; go ahead.

Mr. Fortier: Your newspaper has a contract with the American Newspaper Guild?

Mr. J. Preston: Yes, sir. Well, it is under negotiation.

Mr. Fortier: You mean, it has expired?

Mr. J. Preston: It has expired, yes.

Mr. Fortier: Yes. How long have you had the contract with the Guild?

Mr. J. Preston: 1956, I think.

Mr. F. W. Pollard, Director, The Brantford Expositor: Yes. I think it is about twelve years.

Mr. J. Preston: I think they were certified in 1956.

Mr. Fortier: Well, it doesn't matter. It is for some years now?

Mr. J. Preston: Yes.

Mr. Fortier: You may have read or heard that Mr. Bassett of *The Telegram* when he came before the Committee before Christmas said that the Guild had improved the professional calibre of reporters and editors by bringing about better salaries and working conditions.

Do you agree with that statement?

Mr. J. Preston: Pete, do you want to answer that?

Mr. P. Preston: Yes.

Mr. Fortier: Why hasn't the Guild been able to win contracts with more than a dozen Canadian newspapers, then?

Mr. J. Preston: They will have to answer that one, sir.

Mr. Fortier: I would like to get your opinion.

Mr. P. Preston: Just frankly, I don't know, sir.

The Chairman: Mr. Pollard, do you have an opinion on that?

Mr. Pollard: Yes. There is one reason when you enter into a contract with the Guild you pay all your reporters the same rates of pay, unless you want to give them merit increases. I would say for the man who has ability it is a disadvantage to work under union contract. I think it loses some of the opportunity to improve himself, not only work-wise but also earning-wise.

Mr. Fortier: Has that complaint ever been voiced to you by some of your employees who are members of the Guild?

Mr. Pollard: Well, they are always after merit increases. And it is quite a problem. Once you get into that field, it is well known. And then everyone wants a merit increase. Why have a contract at all?

Mr. Fortier: So that complaint has been voiced?

Mr. Pollard: Oh, yes, very definitely.

Mr. J. Preston: We have some now of merit increases.

Mr. Pollard: We have had to take a star that we are not going to grant them, because we are getting too much trouble with them.

Mr. Fortier: With the Guild?

Mr. Pollard: No, with the individual employee. The employees were approaching us for merit increases, not the Guild.

Mr. Fortier: I appreciate that. But you grant some merit increases, do you?

Mr. Pollard: We have granted them.

Mr. Fortier: Yes.

Mr. Pollard: But our policy now is not to grant them because of the problems you run into through granting them.

Mr. Fortier: I see—with the Guild?

Mr. J. Preston: With the rest of the reporters.

Mr. Fortier: Yes.

On page 5 of your brief you refer to an investigation of the Brantford Police Department which was thoroughly covered by *The Expositor*, and also to an investigation of the Brantford Welfare Department.

My question to you is this: did your newspaper play any part in bringing about the investigations by exposing abuses in the

departments? Or did you just play them up after?

Mr. P. Preston: I can answer that, sir. In both of these cases we reported what was going on after, in a sense, the investigation got started.

Mr. Fortier: I missed that; I am sorry.

Mr. P. Preston: We were not instrumental in bringing on the investigations.

Mr. Fortier: Do you consider that this may be a role of the newspaper?

Mr. P. Preston: Yes. I would say if we have knowledge of something that is going wrong in City Hall, then we should do our best to bring it out in the open.

Mr. Fortier: You would not shy away from doing, would you?

Mr. P. Preston: Oh, no, no.

Mr. Fortier: Have you in recent years covered instances where all was not well in any sector of your community—public sector or your community?

Mr. J. Preston: I would like to answer that, and be vague, if I may, because of the circumstances. But there was a problem in the judiciary in Brantford a few years ago. And I went to the Police Commission and said that this matter either had to be cleared up or we were going to have to carry it in the newspaper; and we don't want to carry it in the newspaper because we don't think it is a good thing for the people involved. And it concerned drunkenness on the bench.

It was in the time when Porter was the Attorney-General in Toronto. And there were frequent phone calls to him. And finally the matter was taken care of.

Now, this was fairly common knowledge to me at the paper. There was some knowledge within the community, but we did not feel it was going to do any person any good to air it publicly.

Mr. Fortier: What standard did you apply there, Mr. Preston, when you elected to go as a private citizen to the—did you say Police...?

Mr. J. Preston: To the Police Commission.

Mr. Fortier: Police Commission, rather than in the story in your newspaper. When you made that decision it was John Preston the

citizen rather than John Preston the publisher acting; is that correct?

Mr. J. Preston: No. I would think it was the publisher acting, sir, at that time.

Mr. Fortier: Would you explain?

Mr. J. Preston: Well, I went there saying that if something was not done to correct this situation we would have to conduct a campaign that this man was not capable of sitting on the bench.

Mr. Fortier: If you had received a letter to the editor from a citizen complaining of that particular fact, would you have published it?

Mr. J. Preston: If it conforms within the law of libel, yes.

Mr. Fortier: You would have published it. So then the distinction here is that the news came to you in a form other than through a letter to the editor?

Mr. J. Preston: Well, it came to us through our staff.

Mr. Fortier: Through your staff. Did any member of your staff ask for your permission to print the story?

Mr. J. Preston: No. This was a matter of decision of whether we wanted to malign this family. And it is a big family. And the children of this family are all gainfully employed in Brantford at the moment, and surrounding area. When I say "big family", there were 14 children. And we felt that perhaps we could accomplish what was needed to be done by not publishing and not running down the family. It is a fine line.

Senator McElman: Would you have felt the same if he was a childless, lecherous old bachelor?

The Chairman: Old bachelor?

Mr. J. Preston: Yes. I don't like to run anybody down if we don't have to.

Senator McElman: Did the law of libel have any bearing in your decision?

Mr. J. Preston: No, not at that time.

Senator McElman: Thank you.

Mr. Fortier: In answer to one of my earlier questions you said if the information had come to you by way of a letter from one of the citizens you would have published the letter.

Mr. J. Preston: Our policy, sir, quite frankly, is to publish all letters as long as they are within slander, and of reasonable length.

Mr. Fortier: Have you ever nixed (if that is an acceptable word)...

The Chairman: Yes, that is an acceptable word.

Mr. Fortier: From a French-Canadian.

The Chairman: Yes.

Mr. Fortier: Have you ever nixed publication of a story by one of your reporters for similar considerations?

The Chairman: You understand his meaning?

Mr. J. Preston: Yes.

Peter? I don't remember one.

Mr. P. Preston: I cannot remember one, sir.

Mr. J. Preston: I will go one step further, sir. Most of the time I don't know what is in the paper until I read it when I get home, as far as what the reporters are turning in.

Mr. Fortier: Who oversees the newspaper before it is put on the press?

Mr. J. Preston: Our city editor.

Mr. Fortier: He is...?

Mr. J. Preston: Under Peter. It is Peter's responsibility.

Mr. Fortier: Do you read every newspaper before it goes out?

Mr. P. Preston: No. I don't see everything that goes in. I do have a conference with the news desk men, the editors, sports editor, and women's page, every morning. And we discuss what is going in the paper for that day as far as local news and national as well.

So that, while I don't see every story that is going in the paper before it goes in, I have got a rough idea of pretty well what is going in as far as local news and national news.

Mr. Fortier: And to your knowledge no story by any one of your reporters has ever been killed by a member of management; is that correct?

Mr. J. Preston: Well, I can't remember one.

Mr. P. Preston: I can't remember one.

Mr. J. Preston: If you have got a case in point, bring it out, sir.

Mr. Fortier: No. Please don't think that I do. This just followed your earlier comments.

Mr. J. Preston: Quite frankly, our news staff have a great deal of freedom in reporting. And there is no check on what they submit. They have their beats and their assignments and so forth.

Mr. Fortier: Do you have any trouble holding onto your staff in Brantford?

Mr. J. Preston: We have had very little turnover in the last two or three years in both the reportorial department and the advertising department.

Mr. Fortier: There is no exodus to the bigger city, or to the bigger papers?

Mr. J. Preston: I guess the *London Free Press* are filled at the moment.

Senator Beaubien: If they are not filled, it is not so good, is it?

Mr. J. Preston: We have been and we are and we regard ourselves as a training ground for bigger papers. Costan started with us, and gradually became editor of *Saturday Evening Post*, and so forth. We like to boast about some of the people who have worked with us over the years.

Mr. Fortier: I have no further questions at this stage, Mr. Chairman.

The Chairman: I just have a couple of questions.

I would like to ask what *The Expositor* is doing to broaden its appeal to young people.

Mr. P. Preston: Well, we are very much involved with the newspaper-in-the-classroom program. And we are sending out, I think close to 600 papers a day to mostly public schools at the moment. But we have some papers going to one high school. And we hope to, in a sense, graduate into that area as much as we can.

We have tried youth pages and so on over the years. They always get off to a flying start and then peter out. And we have found that this newspaper-in-the-classroom program serves the purpose of involving young people in reading newspapers better than anything else that we could do.

The Chairman: In your brief you indicate that *The Expositor* tends to concentrate in terms of new coverage on local events. And

you take particular pride in your local coverage. I think that is a fair statement, reading the brief.

What does this mean in terms of your national and international coverage? For example, if I live in Brantford must I buy the *Globe and Mail* or the *London Free Press* or the *Toronto Star* to get a broader coverage?

Mr. J. Preston: The only reason you would need to buy either of the two morning papers, in our opinion, would be to get a better stock market summary than we carry. They both carry a complete list of the markets. We carry a fairly complete list as of 12.30 p.m. and we like to feel that as far as the coverage of Ontario, Canada, and the world, we are doing it as efficiently and as effectively as any other newspaper in Canada.

As I said in my brief, my verbal brief, a number of people that come back from a holiday in Florida or California, or any place: It is nice to get back to a paper that gives us something of the whole world." This is the reaction we get from our own subscribers. So I guess we are doing a satisfactory job.

The Chairman: So this local coverage is not at the expense of...

Mr. J. Preston: No, sir. We average a minimum of 120 columns of news in the paper a day, including photographs. And we carry a large percentage of the Canadian Press service in that, let us say, they submit us with 5 columns (this is a round figure) day in and day out. That is a guesstimate. We use 40 columns of that—thirty-five to forty columns day in and day out. The rest is photographs and local sports.

The Chairman: How could CP's coverage be improved?

Mr. P. Preston: I don't know how it could be improved, because as a person who sees a lot of it, I think it is pretty good.

The Chairman: So you don't think it could be improved?

Mr. P. Preston: Not that I would think of, no.

CP might have perhaps more staff members in other corners of the world than they do. But as far as the coverage of Canada is concerned, I think they do a very good job.

The Chairman: I mean, their broad coverage. Do you think they do a better job in terms of covering Canada than they do in terms of their international coverage?

Mr. P. Preston: For comparison, in Canada they have 104 daily newspapers working for them as well as their staffers and their bureaux. I am not too sure at the moment just how many staffers they have in other parts of the world, but between what the CP staffers supply, and the Canadian Press exchange arrangements with Reuters and AP and Agence France Presse, CP could perhaps take over some of that role themselves. But I do not think it is necessary.

The Chairman: Do you think it would be desirable?

Mr. P. Preston: Let us put it this way: it would be nice to have. But I don't know whether we would benefit by doing it that way—by having all of the world events covered by Canadian Press men. I do not think it is necessary.

The Chairman: Do you not think there is a Canadian point of view for over there?

Mr. P. Preston: Oh, I have heard it said that Associated Press in the United States has an American viewpoint. But we carry a lot of news that comes to us from the Associated Press and from Reuters; and I do not detect an American view in there too much.

The Chairman: Do you detect a Canadian view?

Mr. J. Preston: Well, it is all selected by Canadian Press trained staff—the AP bureaux and Reuters bureaux.

The Chairman: Selected, but not written?

Mr. J. Preston: Selected.

The Chairman: I might say I am asking you for my information what your opinions are.

Mr. J. Preston: There are some men in the audience who are much more qualified on Canadian Press matters than I am—two vice-presidents...

The Chairman: We will ask them the same questions.

Senator Sparrow: Under your heading of "Press Councils"...

Mr. J. Preston: Yes, sir?

Senator Sparrow: There is a couple of subjects there. One is that you refer to the fact that, if a complaint has substance and requires correction, you make amends. Do you give equal prominence to corrections?

Mr. J. Preston: Yes, sir. Any time we make a correction we try to put it in the same place in the paper with the same-sized heading.

Senator Sparrow: On the same page?

Mr. J. Preston: One the same page. The same page is sometimes hard to do, because of advertising perhaps moving it, and so forth, but we try to duplicate its location as closely as possible.

Senator Sparrow: This looks after, in other words, the grievances that you were referring to?

Mr. J. Preston: Yes.

Senator Sparrow: You suggest you are not in favour of press councils of any description. I would gather that. You say your newspaper can look after the aggrieved reader.

Is there not room for both, though? You suggest—you can read between the lines, at least, that you say if there was a press council this would make it less convenient for people who were aggrieved.

Would not your same system work, though? People with a grievance could still come to you but, if they in fact did not get satisfaction—and I don't think you nor anybody in any business can say that they satisfy everyone's complaints at all times—that there would be an additional place for complaints as such to go?

Now, with this argument do you still feel there is no area for a press council as such?

Mr. J. Preston: I think one answer to that might be that, if it had been in effect and if you were dealing with some person who was a little difficult to get along with, you might just say, "Well, why don't you take it to the press council?" and slough it off.

It is quite common for both Peter and myself to get phone calls at night at home from people who are unhappy with the way we have treated a story, or the fact that we have carried certain things in the paper. And we feel that the fact that they can call us up, and see our name on the masthead of the paper; they call us up at home; our phone numbers are listed; this gives them a chance to air their beef. And if they wish a correction we will carry the correction.

Sometimes it is a matter of explaining policy to them. If they are charged with impaired driving, as far as we are concerned it is automatic. It does not matter to us who it is, it is going to go, provided it happens

within our own jurisdiction. And there is a standing order in the shop: if Peter and I get picked up on impaired driving it goes on the front page.

Senator Beaubien: It has never happened has it?

Mr. P. Preston: No.

Mr. Fortier: So you don't drive.

Mr. J. Preston: Let us not commit ourselves to that.

Senator Sparrow: This still does not really answer the question, though.

Mr. J. Preston: No, it does not, sir.

I have kicked it around. I don't know whether it would help or not. I think it would depend on how it was meeting, where it was meeting, how it was held, and what trouble the individual would have to go to to appear before this council.

We do not feel that we have that many grievances that do not get satisfied one way or another.

Peter was telling us at lunch today of a woman who phoned. Normally on an anonymous call we answer, "If you don't wish to tell me who you are, do you mind if I end the conversation?" But he just felt in this case she had something she wanted to get off her chest.

How long did it go; half an hour?

Mr. P. Preston: A good half-hour.

Mr. J. Preston: But when she was finished her attitude was: "Well, I feel better; I have got it off my chest."

If this is not a pretty good press council for relieving grievances, what is?

Senator Sparrow: Well, it is good public relations, yes.

Mr. J. Preston: I mean, we are available. go down to the curling club; I go down to the golf club. Mr. Pollard does. And we are available to people.

Senator Sparrow: But that would not change if in fact there was a press council. Or, at least, I would not think it should change.

Mr. J. Preston: Well, it should not.

Senator Sparrow: You seem rather definite in your brief in opposition to a press council.

any description. Are you falling away a little bit from that now, in your verbal statement, that this may be not a bad thing; that there are maybe areas where it would be useful?

Mr. J. Preston: Well, frankly, I cannot see where it would be of use in our case.

Senator Sparrow: I see. Okay.

Mr. J. Preston: At the moment.

Senator Sparrow: Thanks.

The Chairman: One answer troubled me just a little bit, Mr. Preston. You say you go to the golf club and the curling club. There are an awful lot of people in Brantford who do not belong to the golf club or the curling club.

Mr. J. Preston: That is right.

The Chairman: Do they have the same access to you?

Mr. J. Preston: Not at the golf club. But they can come in the door. They can come into the office. The telephone is there.

The Chairman: Would you not agree, though—and please don't let me put words in your mouth—that some guy working on the line, or the wife of some guy who was working on the line in a factory in Brantford, it would be a major undertaking for that person to come in and see you in your office, as opposed to somebody who can speak to you on the twelfth tee or in the locker room at the club, someone who moves in your particular social circle?

Mr. J. Preston: It might be an undertaking for him to come into the office, but, I assure you, there is no problem for them to call me on the phone. Because they do.

The Chairman: I would suggest a particular kind of person—the kind of people who write letters to Senators and Members of Parliament—that there are a lot of other people who perhaps are not that aggressive.

Mr. P. Preston: Perhaps I could answer that.

I would think if this person finds it quite an undertaking to call one of us on the telephone and air a grievance, I don't think he would ever be bothered with the press council either.

The Chairman: Well, he might be. I don't know. That is an interesting answer. I don't know.

Mr. Fortier: In the same vein, supposing, gentlemen, there was only one such aggrieved person in any given year who, either after having been dealt with by one of you gentlemen or not having been dealt with by one of you gentlemen, felt that he or she could go to a press council, air his or her particular beef, and then possibly have her side of a particular story published in your newspaper. Would that not in your mind justify the usefulness of a press council?

As Senator Sparrow said earlier, you cannot please everybody all the time.

Mr. J. Preston: My objection to the point that you have just made is that I am going to assume there is a lapse of time between the event and the hearing.

Mr. Fortier: There may be.

Mr. J. Preston: Well, I cannot see it happening the next day, with all due respect to any press council that may be meeting in Toronto or...

Mr. Fortier: Well, it may be a community press council.

Mr. J. Preston: Well, if it is a community press council that can be convened immediately, that is one thing. But I am assuming that there is a lapse of time. Then we carry her side of the story three months later.

My feeling is that at that time we are re-opening an old sore by people saying, "Well, what is this all about?" type of thing. The memory of people sometimes is not very long.

Mr. Fortier: Without at all taking away the role which you feel you now play in receiving complaints from your readers, is it your unqualified statement that a press council which would operate as a sort of court of appeal, which would be a court of honour, as they have in England, has no views whatsoever, has no role whatsoever to play in Canada? Is that your statement?

Mr. J. Preston: You are making a very broad statement. I would not go that far, no.

The Chairman: Senator McElman?

Senator McElman: Going back to the matter of the hypothetical question of whether your paper might at some point come up

for sale, and looking again at the possibility of local share ownership, that sort of arrangement...

Mr. J. Preston: Yes.

Senator McElman: Would such a possibility shade your judgment that it still should go to the highest bidder, if there was a relatively close range?

Mr. J. Preston: I think we would probably favour keeping it local, all things being reasonably equal.

Senator McElman: Right.

Senator Sparrow: I have one question on that point, sir.

The Chairman: Yes, go ahead.

Senator Sparrow: In the possible sale of your newspaper within three years...

Mr. J. Preston: Who put that time on it?

Senator Sparrow: You used the figure of three years in some context. I thought you had. Okay, I will take it back.

In the discussion on succession duties, was this the purpose of your consideration of sale—only because of succession duties? Is it this important?

Mr. J. Preston: Yes.

Senator Sparrow: Thank you.

Senator McElman: Supplementary on another point that was discussed: this matter of publishing the names of owners; it has been suggested in one of the briefs we have had and you are not against the principle of it. But in this violent society (I believe were the words they used) the owners and principal officers of the company would be reluctant because they would fear a rash of crank phone calls and the possibility of violence to the person of themselves or their families.

Do you feel that this is a valid point of view?

Mr. J. Preston: No, sir. This has never crossed our minds. We just took the attitude that it is known around Brantford, *The Expositor* is owned by the Preston family. And fine; we have no objection to publishing a list of shareholders.

Senator McElman: Then could we expand that? And I realize this is asking for an opinion. Would you think that Canada today is in

such a state that any publisher or owner should fear this sort of thing?

Mr. J. Preston: No, I do not.

Senator McElman: Thank you.

On the matter that Senator Davey raised about how you deal with youth, has the format or the presentation by your newspaper changed to any degree in the face of the so-called new morality of youth? Is there any specific change in your approach?

Mr. P. Preston: I would not say so. We have always tried to deal with the youthful activities going on in the city, or in our circulation area.

Senator McElman: Excuse me. I am thinking more, sir, of—well, drugs, which is quite a problem. Are you doing any in-depth work by your staffers in research, on trying to be of assistance to youth in pointing out perhaps the dangers involved, and so on?

Mr. P. Preston: Our own staff has not done research in this way by themselves. But we have a very close liaison with two men who are working with the Drug Addiction Foundation in Toronto. And these two men are regional representatives for Brantford and, think, Kitchener and Simcoe.

As a result of our association with these two men we have carried quite a lot of discussions, panel discussions, reports, and so on about the drug addiction problem, yes.

Senator McElman: Are there any outward evidences in the Brantford area of a challenging by youth of the accepted elements of society, of the church, of the Establishment so-called, and so on? Are these fully reported?

Mr. P. Preston: Yes. Any time this is a matter of discussion at a meeting of any type we report it quite fully.

Senator McElman: And do you endeavor to lead in any fashion with other editorials feature stories, and so on?

Mr. P. Preston: We have carried feature stories, and we have had editorials on the drug addiction problem, as to whether marijuana should be legalized, and this type of thing.

Senator McElman: Then you feel you are reacting to the so-called problems?

Mr. P. Preston: Yes, I would say we are.

Senator McElman: Fine. Thank you.

The Chairman: Mr. Fortier, I was going to terminate, but if you have a question?

Mr. Fortier: I have one last question, if I may, Mr. Chairman.

The Chairman: Yes.

Mr. Fortier: You speak very eloquently on pages 2 and 3 of technological improvements in your plant, Mr. Preston. And I wonder if you have found your craft unions resistant to these improvements in Brantford.

Mr. J. Preston: Our craft unions have gone along with us on all improvements. Because when we start to think about it we bring them in. We take them right along with us, right through our planning stage. We take them away on a trip to Toronto to see the equipment, and so forth.

We have had no problem in modernizing our program in any way whatsoever.

Mr. Fortier: Has your manpower decreased, though?

Mr. J. Preston: No, sir.

Mr. Fortier: I has not, due to these improvements?

Mr. J. Preston: Our manpower has stayed about the same with the increased volume of business.

Mr. Pollard: And increased time off.

Mr. J. Preston: Yes.

Senator Beaubien: Otherwise it would have increased?

Mr. J. Preston: Otherwise the staff would have greatly increased. If we had not put in these things we have we would have had at least another ten men on the floor.

Mr. Fortier: I see. Thank you.

The Chairman: Honourable senators, gentlemen, I would like to thank you for coming here this afternoon as requested.

In drawing up our list of witnesses, of necessity we could not ask everyone in the country. We asked you for some of the reasons outlined in the early stages of your brief. You come from one of the smallest counties in Ontario, facing keen competition from every part of the county. You are an independent newspaper. These are some of the reasons why we asked you.

It has been a valuable session for us. We are grateful to you. I suppose to express our appreciation I should make it clear that you did not say that *The Expositor* was for sale.

Mr. J. Preston: It is not at the moment for sale, sir.

We are very pleased if we have been of any assistance to your Committee.

The Chairman: Thank you.

—Short Recess.

(Upon resuming at 3.15 p.m.)

The Chairman: If I might call this session to order, this afternoon we are going to receive the brief from *Le Droit*.

While I am speaking in English, much of the presentation indeed probably will be in French. I should say for the benefit of senators and visitors that we have the translation service available.

The representatives of *Le Droit* are with me. On my immediate right is Aurèle Gratton, Vice-President and Director General.

On my immediate left is Jean-Robert Bélanger, Treasurer and Director of Personnel.

On his immediate left is Marcel Gingras, the Editor in Chief.

Mr. Gratton, the brief which you were kind enough to prepare for us as requested was received in advance as requested. It has been circulated to the senators. It has presumably been studied by them.

The procedure we follow here is to allow you an opening statement of perhaps ten, twelve, fifteen minutes, in which you can explain your brief, expand upon it, amplify it, add to it, say anything else which may be on your mind. And then we will proceed to question you.

The senators will be free to question you on the contents of your brief, but they may wish to ask you questions about the comments you make now, or indeed about other aspects of journalism in Canada.

Mr. Gratton, thank you.

Mr. Aurèle Gratton, Vice-President and Director General, Le Droit: Mr. President, senators, I just want to say first of all that is it not a question of being biased. Is that the word that we should use?

The Chairman: Yes.

Mr. Gratton: If we are going to make our presentation in French. But on the other hand, I think it would be preferable for us because it is always easier to express yourself in your own language.

The Chairman: We would prefer you to make it in French.

Mr. Gratton: Thank you very much.

Everybody has the brief. I don't know if I should read it at all.

The Chairman: If you feel you would like to. It is not necessary. It has presumably been studied.

Mr. Gratton: Yes. But on the other hand the brief is only about six pages.

The Chairman: By all means.

Mr. Gratton: So if you don't mind, sir. . .

The Chairman: No. Please.

[Translation]

Le Droit is a printing and publishing enterprise entirely independent of any press group.

It belongs to a corporation with a federal charter which was founded in 1912. There are 148 shareholders comprising 101 known and 47 unknown shareholders.

To date, the *Syndicat d'œuvres sociales Limitée* still has 100 percent of the CKCH shares as well as 100 percent of the shares of *Hebdo-Revue* and *L'Imprimerie Leclerc*.

Le Droit is a member of the *Canadian Daily Newspaper Publishers Association*, the *American Newspaper Publishers Association* and *Les Quotidiens du Québec Incorporée*. In addition, it is a member of the *Bureau International de Presse* (B.I.P.) and a special contract authorizes it to reproduce all articles from the French daily, *Le Figaro*.

Founded primarily for French-speaking residents of Ontario who still remain its major preoccupation, *Le Droit* also acts as informant, spokesman and defender of French-speaking persons in western Quebec. French-language persons from all parts of Ontario and from western Quebec are therefore its chief readers and customers.

In an editorial in the first issue of *Le Droit* on March 27, 1913, the editor briefly outlined the *raison d'être* of the new daily. I quote:

In view of the distressing situation of the French Catholic schools in our province, the directors of the *Syndicat d'œuvres Sociales Limitée* felt it their first duty to

publish daily newspaper to keep our people better informed and to prove to our opponents that we intend to fight to the end with loyal weapons.

Since then, French-speaking residents of Ontario have made good progress. However their problems have not all been resolved as evinced by the Royal Commission on Bilingualism and Biculturalism. *Le Droit* is therefore still on the look-out, always ready to defend their cause. In the same way, it is concerned with French-speaking residents in western Quebec, willing to work towards their economic and social progress as towards the economic and social progress of French-language Ontario residents. *Le Droit* is therefore a Catholic and French Canadian newspaper, a newspaper engaged in the struggle for and defence of the educational, linguistic and religious rights of its readers and of all French Canada which, in its eyes, is not limited merely to Quebec. Unquestionably Quebec is the nucleus or heart of French Canada but its ramifications in the primarily English-speaking provinces are for *Le Droit* equally as important.

Independent of both federal and provincial political parties, *Le Droit* is also independent of governments and it intends to remain so. For this reason, it is opposed to any form of government aid to newspapers. The generosity of the State could become a very heavy chain and endanger freedom of the press. It could also result in the death of the newspapers if the latter, accustomed to State grants were suddenly deprived of this income. However, *Le Droit* would accept indirect aid as represented by the former postal rates, form of assistance which it considers of much greater value to readers—and I stress this point—than to the press agencies. Throughout Canada, thousands of citizens today are deprived of the news and information formerly supplied by the daily papers before the increase in postal rates.

Let me mention here that *Le Droit* is in a more or less special geographic situation quite unlike the other French-language daily papers in Canada. Published in the federal capital and on the border of the two provinces, it must constantly watch over the general interest of Canada. More than any other French daily, it must be the advocate of bilingualism and of the cultural duality of our country. Its range of action is therefore very vast. I might perhaps add in passing that *Le Droit* covers an area extending to Hearst

approximately 600 miles from the capital. It must inform its readers on federal policy which, for them, often assumes the form of local politics; it must inform them on Ontario and Quebec provincial policy and, in addition, give its readers an abundance of municipal and school news in numerous Ontario and Quebec localities. Being Catholic for the most part, its readers count on it for information on matters of religion and on the great unimmaculate movement.

From the preceding are derived the editorial preoccupations of the newspaper. On this point, let me mention that the editorials are planned and that the choice of subject matter is left to the editor in chief, with no intervention on the part of the owners or management. According to the general policies determined by the owners, the writers are free to express themselves as they wish. Naturally, we accept differing viewpoints as to the methods of action but not as to the final goals. For example, a writer may write that the Canadian Constitution must be amended section by section and another may write that an entirely new Constitution must be drawn up, without taking into account the British North America Act. Basically, however, both demand the same thing: a new Constitution.

In its questionnaire, the Committee asked what was the first duty of the mass media. To inform? To interpret? To defend causes? To this we reply: to inform, naturally. The Committee will allow, however, that having informed their readers, the newspapers help them to understand the information by interpreting it. It will also allow that the newspapers defend causes. This is their social role. The daily must therefore inform, but it must do so with objectivity. It must even diffuse information which is most contrary to the views it upholds. At *Le Droit* we insist that headlines and headings of articles, the "leads", occur with the news. The importance of the news is obviously relative and the news is presented and arranged according to its value. A *coup d'état* in Iceland obviously would not have the same importance for Canadians as a *coup d'état* in their own country or in the United States. All in all, newspapers must avoid sensationalism.

Le Droit naturally does not live off its circulation. To exist, grow and prosper it must open its pages to commercial advertising and to mail ads. Thus, in a 42-page issue, there would be one editorial page, 17 pages of news and 24 pages of advertisements. Last year, the

percentage of advertising in relation to reading matter was 52.7 percent.

With advertising as with information, *Le Droit* obeys a certain code of ethics. Accordingly, it will not publish an advertisement it considers false, tendentious or immoral. It will not publish an advertisement exploiting human misery, etc. As an appendix to the present brief, the Committee will find the code of ethics relative to advertising.

With regard to advertising and in reply to one of your questions, I should like to point out that competition with American publications hardly affects us, naturally because our language is French. Competition from Canadian television does affect us, however, large industrial and commercial firms devote great portions of their advertising budget to television rather than to newspapers.

As your Committee is also interested in the recruiting of journalists, I wish to state that recruitment itself does not pose serious problems for us. Each year teaching institutions produce young people capable of becoming good journalists. Unfortunately, very few of them come to us from actual schools of journalism. At *Le Droit* for the past 20 years, we have had only two. Like several others, these two men left us. The federal or provincial public service and government agencies very often offer salaries or wages against which we are powerless. I am thinking in particular of the Canadian Broadcasting Corporation which, to a basic salary often comparable to our own, adds—something which is incomprehensible—a guaranteed overtime pay equal to one-quarter or one-third of the annual salary. How can you compete with that?

As graduates from schools of journalism are fairly rare among us, as everywhere in French Canada, we see only one solution, the opening of an actual school or faculty of journalism for French-speaking persons in our area. Algonquin College already offers an elementary course in journalism, but this is not sufficient, all the more so as French-speaking applicants for this course are not a majority, even if they do exist. On the other hand, in the third year of journalism, Carleton University offers a seminar in French, but it is designed for English-speaking students. Carleton is vaguely considering the progressive introduction of other French courses in its school of journalism, but these are still in the planning stages. Although we refuse direct government assistance to newspapers we would, however, agree to provincial government assistance in establishing French jour-

nalism courses—and I stress the establishment of a French journalism course as in a news bulletin this morning, the public was given to understand that *Le Droit* was asking for a French course. What we are asking is that a French journalism course be introduced in any of the universities of the province, preferably the University of Ottawa in which not only young French-speaking Ontario residents but also French-speaking Quebecers could enroll.

Due to the lack of a school of journalism in our midst, *Le Droit*, in short, acts as a school. In fact, we are alone in training bilingual reporters in the area, hence our popularity with the Canadian Broadcasting Corporation, the National Film Board and the information services of the federal government, a popularity which honours us but also impoverishes us.

To your questions on technical progress, I should like to reply that this obviously imposes heavy expenses on enterprises wishing to prosper. Technical progress, however, is inevitable. This is not the most disturbing aspect. The day of electrofax is not far off. If we do not prepare ourselves for this, the news will soon be stereotyped and the result will be a universal brainwashing of which not even the dictators have ever dreamed. To avoid this, we must rethink the whole question of work techniques in the press. It would be interesting to conduct research on the subject, but this is neither the time nor the place.

What do we mean by freedom of the press? The duty of the press is to publish, analyze and comment on all news of public interest, whatever its subject and independently of the persons in question. The exercise of this right presupposes that we scrupulously check all news as to veracity, content and origin. In addition, we must not publish anything illegal. In other words, the press is subject to the laws applicable to any individual.

Because of the preceding, we would approve the formation of a press council. It would no doubt be desirable to call for the establishment of a press council, of a Canadian council. However, given the present situation, we feel that provincial press councils would be better accepted by Quebec journalists than a national council.

Despite the political agitation we are experiencing in Canada, we are nevertheless living in a relatively calm climate if we compare it to what has occurred in other countries at other periods in history, notably in

France during the last war. A press council could therefore spare us troubles and guarantee freedom of the press. A press council would be particularly useful should the day come, despite the contrary hope expressed here, when the State sees fit to support the newspapers through dangerous subsidies.

Contrary to what Balzac wrote in the last century, we do not believe that journalism is still in its infancy and that its power is just dawning. On the other hand, contrary to Marshall McLuhan, we do not believe that television is marking the end of the printed word. With Walter Lipmann, we believe rather that television is far from satisfying our curiosity and that the newspapers are not on the brink of extinction.

In conclusion, a word on the news sent to us from agencies. All this news, as you are aware, is finally forwarded to us through the Canadian Press, first in English, then in French. I must mention first that there is a delay, even in English, especially with regard to news coming to us from abroad. Secondly, I must state that with regard to French, the delay is still obviously more marked. Taking everything into account, we understand these delays, but we deplore them. We deplore them all the more, however, because most of the news which reaches us from abroad is now presented to us from a Canadian standpoint. As the Canadian Press is constantly increasing the number of its foreign correspondents, the situation is improving. We are particularly pleased with the presence in Paris of French-speaking journalists of the C.P.T. The ideal, however, would be to find other French-speaking persons elsewhere. As the C.P. is a co-operative, we feel that it deals honestly with its members.

Ideally, it would be marvellous to have French service completely in line with the English service but such a service would be prohibitive for the French-language newspapers, even if it were integrated within the English service. In 1965 it was estimated that an integrated service would increase the cost of the French language newspaper agency 21.5 per cent and that a completely separate service would increase costs by 24.7 per cent. In 1970, another 25 percent would probably have to be added to the increase predicted at that time.

[Text]

The Chairman: Thank you very much. I think the questioning this afternoon, Mr. Gratton, will begin with Senator Beaudet.

[Translation]

Senator Beaubien: Mr. Gratton, in paragraph 2 of your brief, you appear to have lost 7 shareholders; of 148, you have 47 of whom have no record. Did you issue shares to earners?

Mr. Gratton: No, no; the shares are in the name of the persons who purchased them at the time. It must be remembered, Sir, that the shares were purchased in 1912 and 1913. Some persons have died, some have never been seen again and for this reason we cannot state that we have 47 unknown shareholders. When we sent notices of shareholder meetings, such as last year, we sent dividends for the first time in history.

Senator Beaubien: You paid dividends?

Mr. Gratton: For the first year, yes, Sir.

Senator Beaubien: The first year?

Mr. Gratton: Yes.

Senator Beaubien: Congratulations!

Mr. Gratton: The first in 50 years.

Senator Beaubien: You paid the first dividends last year?

Mr. Gratton: The first dividend which has ever been paid at *Le Droit*.

Senator Beaubien: That is very good. How many shares do you have, Mr. Gratton?

Mr. Gratton: Exactly—I should perhaps ask the treasurer to answer your question.

Mr. Jean-Robert Bélanger, Treasurer, Le Droit: Of 2,000 public shares, 1,722 are issued.

Senator Beaubien: Are these common shares.

Mr. Belanger: Common shares.

Senator Beaubien: Are there preferred shares?

Mr. Belanger: None.

Senator Beaubien: No. And there are no bonds?

Mr. Belanger: Yes, we now have a few bonds which are redeemable this year, in September 1970.

Senator Beaubien: Then it is marvellous to have paid a dividend for the first time.

[Text]

Senator Everett: Would the correct figure be 1713 or 1722?

Senator Beaubien: One thousand, seven hundred and twenty-two.

[Translation]

Mr. Belanger: 1722 shares issued, and 9 shares returned, that became Treasury shares, which causes us at present to have 1713 shares, net, on the balance sheet.

[Text]

Senator Beaubien: Nine were cancelled—1,713 outstanding.

[Translation]

1713?

Mr. Belanger: Yes.

Senator Beaubien: Mr. Gratton, in paragraph 6 you spoke of problems which French Canadians of the province of Ontario had,—and in paragraph 7, you said:

However, they are not all of them solved. What are those problems that exist today?

Mr. Gratton: Mr. Senator, it would take me too long to answer you; in order to make it short, I will ask our Chief Editor, Mr. Gingras, to answer you.

Mr. Marcel Gingras, Chief Editor, "Le Droit": There is the school problem, which has not yet been fully solved, notwithstanding the new 1968 laws in Ontario, Bill No. 141, which became Act No. 141, which authorizes, for instance, the existence of French speaking Secondary Public Schools.

Senator Beaubien: Yes.

Mr. Gingras: There are still sectors in Ontario where we must fight to obtain even primary French schools—several sectors, and notwithstanding that Act. There are still sectors in Ontario where, notwithstanding Act No. 141, which provides for secondary schools, it is materially or physically impossible to build a school. For instance, a secondary school will certainly not be opened in Hamilton for a handful of French speaking students.

Senator Beaubien: No.

Mr. Gingras: They need a regional school now, and that is a problem. Now then, there must be an understanding between the various school commissions.

There is also the question of the Universities—and we confirm directly, we, French speaking Ontarians, that the University of Ottawa and the Laurentian University are bilingual universities. However, we know quite well that, basically, the French speaking people do not sufficiently take advantage of these two institutions, so that many courses that could be given in French, are not given due to a lack of students. Algonquin College offers courses in the French language,—and there are other community colleges,—but the young people do not even wish to take advantage of them. There is, therefore, work to do among them; and it is much more up to the readers, at this time, than up to the governments.

Senator Beaubien: Yes, I understand.

Mr. Gratton: Senator, I might report to you the most recent case, the most typical case—the Champlain School, here in Ottawa, which you know.

Senator Beaubien: Yes.

Mr. Gratton: There is the Champlain Secondary School, which the School Commission had given to be taught in French, and now, the Commission came back on its decision.

Senator Beaubien: It is not true that there were not enough French Canadian students? I am not fully acquainted with the details.

Mr. Gingras: If you will allow me,—there are 5000 vacant places in the Public secondary schools in Ottawa, in which English is spoken. In the French speaking Public secondary schools, they need more places; by displacing the English speaking students that attend Champlain, and by sending them to other schools, the institution would be relieved and be placed at the disposal of the French speaking students, without increasing the taxes of the tax-payers, and without building a new school.

Senator Beaubien: That seems to make sense.

Mr. Gingras: Yes; the English speaking population is not numerous enough to fill their schools,—and we, we are too numerous for our schools.

Senator Beaubien: Mr. Gratton, you state in paragraph 3, that the Syndicate still owns 100 per cent of the shares of CKCH?

Mr. Gratton: Yes.

Senator Beaubien: 100 per cent of the shares of “*Hebdo-Revue*”, and of *Impri-merie Leclerc*?

Mr. Gratton: Yes.

Senator Beaubien: Does that mean that you intend to sell or dispose of them?

Mr. Gratton: You see: your question relates probably to what you have seen approximately one month ago, that Telemedia purchased CKCH.

Senator Beaubien: It was bought?

Mr. Gratton: It was bought, but nothing can be done as long as CRTC has not given its approval.

Senator Beaubien: Yes, I understand.

The Chairman: Mr. Fortier?

Mr. Fortier: Mr. Gratton, who controls the “*Syndicat d’œuvres Sociales Limitée*” today?

Mr. Gratton: I must understand you correctly. What do you mean with control?

Mr. Fortier: Who has actual control over the company?

Mr. Gratton: Control over the shares,—the Oblate Fathers.

Mr. Fortier: The “*Oblats de Marie Immaculée*” are having actual control over the shares,—1722 shares presently issued and outstanding?

Mr. Gratton: Yes, and I might say, if you wish, and it will better answer your question that they own 72 per cent of the shares.

Mr. Fortier: Before referring to the Oblate Fathers...

Mr. Gratton: Come on, come on.

Mr. Fortier: They own 72 per cent,—meaning, there remains 28 per cent. Are those 28 per cent distributed among the other shareholders in a very diffuse manner, or are they blocks of shares?

Mr. Gratton: No; there are persons who own one share; there are others who own five shares and others who own three shares. The reason for the fact that you are given a number of shares that are unknown is that most of those persons bought their shares in 1912 and 1913, and when they bought a share for \$100 they probably thought that it was rather a gift they were making,—but the

were given a piece of paper that said: you own one share. These people never showed them in their estates, because that was the way it was done. Maybe I should emphasize the historical fact that "*Le Droit*", a daily newspaper, was founded in 1913 with \$8,700.

I am wondering, whether I should have said that today, because, from an economic point of view, that does not count any longer. However, I notice that there are several journalists in the room and it is now alleged that it takes at least three million to start a daily newspaper, if not more. If the value of the money in 1913 and in 1969 is taken into consideration, it would have taken at least from \$10,000 to 150,000 to start a daily newspaper; that time,—and I, personally, believe that it was a miracle how the "*Le Droit*" has been able to survive all of it; I still do not understand it.

Mr. Fortier: Is it because the Oblates own 7 per cent of the shares,—it is a miracle.

Mr. Gratton: The Oblates did not own 72 per cent of the shares at that time. You know, you are asking me that question and, if you will permit, I should like to add the following.

I do not know, but I think that you Senators know what is going on; has it not already been said that a certain religious community in Canada controlled the Canada Steamship Line. If you have not heard it,—I have heard it and, furthermore, I have had figures to support it, but I cannot give them now. But, does that mean that that religious community had one word to say in the administration of the Canada Steamship Line, in a case, for instance, where a man and woman wished to rent a cabin and who were supposed to be man and wife?—No, no,—and that is the reason why I must tell you myself, that "*Le Droit*" has been able to survive, thanks to the Oblates.

Mr. Fortier: Mr. Gratton...

Mr. Gratton: If you will permit me please,—I told you earlier that our company has never paid dividends before last year,—meaning that the profits had always been reinvested in the enterprise. If it is taken into consideration that the value of the share is \$1, which means that the Oblates have put approximately \$138,000 in the company...

Senator Beaubien: In all, and for everything?

Mr. Gratton: Yes, in all, and for everything,—and that, today, we are going into the

market for improvements, for an amount of approximately two and one half million dollars,—in 1970, for the purchase of machinery, new construction, and so on. That is the same thing,—I told you earlier, when you asked me that question,—I told you that our newspaper was catholic. That does not mean that the information given by the paper is controlled by the Oblates. Personally, I can tell you that for 23 years,—I came to the "*Droit*" first as manager, I then got a promotion and was appointed general manager, and later on, I got to the management's office and I became executive vice president and Director general. I can tell you, personally, and I can vow for it with my hand on the Bible, if you are interested, and I have never had, not even once, an order from the Oblates to the effect that: you must do this, you must do that.

First of all, our Board of Directors consists of seven members, of which two are Oblates and five are laymen, and I can tell you that the laymen control the "*Le Droit*". The Oblates are there, and with reason, because they have control over the shares. I have never felt any interference, and I can tell you, and you may have been able to observe it in the papers,—and you are reading "*Le Droit*", I hope,—that often "*Le Droit*" has published things against the community,—among others, against the University of Ottawa,—which even the English newspapers of Ottawa did not wish to touch themselves,—and we have had sharp criticism,—because we were fully independent; and we are fully independent with respect to editorial matters, first of all, and I can tell you, equally as much as to financial matters.

Personally, I have full authority at "*Le Droit*" as executive vice president. I receive orders from nobody; I am a member of the Board of Directors and problems are discussed during our monthly Board of Directors' meetings, and I am told this or that, and I take my personal point of view, and when a resolution is approved, that finishes it; I have control,—I have never had any interference,—and Mr. Gingras, who is chief editor of "*Le Droit*" can tell you that he has had never, not even once, interference from the Community of the Oblates. Not only that, you should not forget that the Oblates not only contributed here,—I knew that that question would come up, and that is why I was prepared...

Mr. Fortier: There has been no criticism from this part.

Mr. Gratton: No, there has been no criticism, but I should like to put my points cross, to bring out the point of view of the company.

Mr. Fortier: You have answered almost all the questions which I was going to ask.

Mr. Gratton: There is one other question, which I can answer, that the Oblates have greatly contributed...

Mr. Fortier: This is bigger than a miracle because you are able to answer a question which I have not asked!

Mr. Gratton: I expected that question!

The Oblates have contributed to the survival of French in Canada, not only in Ontario, but outside Quebec, everywhere. Take the schools and the University, as well as the newspapers in Ontario—meaning us—and in Manitoba and also in Saskatchewan; they went there with their contributions. I am convinced that they are still putting money in it in Manitoba and Saskatchewan. But not in Ottawa. I have never asked the Oblates for one dime to operate the "*Le Droit*", since I have been there, since 23 years.

Mr. Fortier: Is there a reason why the actual owner of "*Le Droit*", meaning the community of "Oblats de Marie-Immaculee" is not mentioned in your paper, for example in the heading, on the editorial page? This is a question which we are asking everybody appearing before the committee, meaning, whether the name of the true owner should not be printed in the paper?

Mr. Gratton: Listen, you have the name, which is the "Syndicat d'Oeuvres Sociales Limitee,"—which is a strange name, which is ridiculous—that is my impression because, when you get to Toronto among the English, they are asking: the Syndicat—what does that mean?—the word "œuvre",—they don't know how to pronounce it in English, they say "œuvre"—they do not know how to pronounce and they say, "What does it mean?"

That is the reason why we are trying to have a change of name for "*Le Droit Limitee*". I should not like to have "*Le Droit Limitee*", I have tried to have "*Le Droit Incorporee*", because "*Le Droit Limitee*" becomes limited, is that not so. But, we cannot have it, because it is a Federal charter, and steps are presently being undertaken by our attorneys, in order that the owner of "*Le Droit*" becomes "*Le Droit Limitee*".

Mr. Fortier: Meaning, a change of name?

Mr. Gratton: Yes, definitely.

Mr. Fortier: Did you take that decision quite recently?

Mr. Gratton: Six months ago.

Mr. Fortier: The attorneys. That does not go fast!—I come back to the question, such as is it correct that it is mentioned in your paper that the paper is published by *Le Syndicat d'Oeuvres Sociales Limitee*, on the editorial page—but, would you object to the fact that under the heading "*Le Syndicat D'Oeuvre Sociales Limitee*", or "*Le Droit Incorporee*", is mentioned that the community of Oblats de Marie-Immaculee is the owner, or owns 75 per cent of the shares of the company?

Mr. Gratton: Quite definitely. Why?

Mr. Fortier: You would object?

Mr. Gratton: To say that?—yes. But why? Are we not a company with a Federal charter? We are a Federal company.

Mr. Fortier: Mr. Gratton, do not think this is a question which we only pose to Mr. Gratton; it is a question asked of all the witnesses appearing before the committee.

Mr. Gratton: I will now answer you, and Mr. Gingras is here, and he can tell you—has asked me for at least one year why we not show the name of the owners.

I expect to have the name changed from "*Syndicat D'Oeuvres Sociales Limitee*" to "*Droit Limitee*" to show that Aurele Gratton, Director general, Marcel Gingras, chief editor and Jean-Robert Belanger, treasurer; it will be indicated in that manner. But it serves a useful purpose to make a change at this time, and to make another change six months later, we are waiting for it, but it takes time. However, as I said earlier, does the Canadian Steamship Line show that the such and such nuns have control over the company?

Mr. Fortier: Unfortunately, they do not publish a newspaper.

Mr. Gratton: Listen,—they have a prospectus which they mailed when they borrowed, and they have never shown that the nuns control the company.

Senator Beaubien: The "*Montreal Star*" is never shown who controls the "*Montreal Star*" either?

Mr. Gratton: No.

Mr. Fortier: Do you not believe that in the case of a newspaper in Canada we should be interested in that question in a different manner, than when dealing, for instance, with a company operating ships, or a company selling grain?

Mr. Gratton: I fail to see the difference. You speak of "Le Droit", but do you know what we are doing a bigger business with our commercial printing than with the newspaper?

Mr. Fortier: No, but I am interested to know if you are doing a bigger printing business?

Mr. Gratton: Yes.

Senator Beaubien: Greater profits?

Mr. Gratton: Yes,—Because the commercial printing business is the best organized,—because I would not wish the people from Montreal to think that we are better organized than many others in Montreal and in Toronto; between Montreal and Toronto, our company is the best organized from the point of view of commercial printing businesses.

Mr. Fortier: You are, therefore, saying that you would look askance at the publication in our newspaper of the shareholders who control the limited company?

Mr. Gratton: Well, listen,—have you ever seen a company that tells you, for instance, that one of your senators controls in excess of five million, let us say, in that business? Let us say, for instance, that it is a liquor company, would it say that that senator owns five million shares, who controls the company? Why? Listen,—let us reverse the roles,...

Mr. Fortier: We are speaking of a newspaper, Mr. Gratton.

Mr. Gratton: What difference does it make?

Mr. Fortier: It is just that...

Mr. Gratton: It is a limited company with a federal charter.

Mr. Fortier: Therefore, in your testimony, you say that there is no difference between a company operating a newspaper and a company selling liquor? Is that correct?

Mr. Gratton: Yes, clearly... absolutely. Don't you agree with me on that?

Mr. Fortier: Unfortunately, it is not up to me to give testimony.

Mr. Gratton: I am asking you the question, now. You asked me the question, I answered you, and now...

Mr. Fortier: We are here to hear testimony from people with interests in this field.

Mr. Gratton: I would not have you think I was trying to be clever, there; it was for my own information; perhaps if I knew what you were thinking, I could change my ideas.

Mr. Fortier: Certain opinions have been expressed, Mr. Gratton, to the effect that in the field of newspaper journalism, the question of responsibility to the public, to the community, was extremely important, and that in the Hull region and in the Ottawa region, for example, in this case, as you say, it is the Order of the Oblate Fathers of Mary Immaculate that is, in effect, the owner of the newspaper. Well, that is important.

There is another example of the same thing in Saskatchewan—a company called XYZ Limited; but I personally think it is important to know that it is Mr. Sifton who controls XYZ Limited.

A number of people have expressed the opinion, before this Committee, that the corporate veil should be lifted, and that the names of those who own shares in the newspaper should be made public. I am not saying that the Committee leans in one direction rather than another; I am asking you the question. I am not a senator, don't look at me.

Senator Beaubien: Mr. Gratton has answered...

Mr. Gratton: So you do not live in the area?

Mr. Fortier: No. I am from Montreal.

Mr. Gratton: Yes, because in this area, everyone, when speaking of CKCH, *Le Droit*, *Hebdo-Revue*, and so on, it's the Oblate Fathers, and they say so.

Senator Beaubien: They know it?

Mr. Gratton: There is no need to publish it, for that matter.

Mr. Fortier: Even though I am from Montreal, I knew it. But you anticipated my question, Mr. Gratton, by saying that the Order had at no time exercised any control whatsoever over the administration of the newspaper. Is that correct?

Mr. Gratton: Excuse me, I did not say "over the administration"—not only over the administration, but even over the newspaper's opinions. I told you just now to ask Mr. Gingras whether the Oblate Father had ever asked him to write such and such pro or con; not con, of course—but I would like Mr. Gingras to tell you.

Mr. Fortier: I shall put the question to Mr. Gingras.

Mr. Gingras: I have quite often had occasion to write articles against the University of Ottawa—not the University as such, but certain aspects of life at the University of Ottawa. Almost every time, I received comments from Oblate fathers who were most indignant—but none of that did anything to change my mind. They tried to show me that I was being too harsh, or that I was exaggerating, that I was not taking account of the courses open to them, and so on. Sometimes, they gave me information that enabled me to write a new editorial; but they have never made me change my mind.

For example, I still maintain, as I have written, that when the University of Ottawa's Faculty of Medicine was founded, it should have been made a French faculty; at that time, it would have been sufficient to hire French-speaking professors and say that it was a French faculty, and it would have become French.

Whenever I wrote this, they complained. Others wrote it before I did, however, and they complained then, too; but we are still writing it.

Mr. Fortier: Have they written you letters that you have published?

Mr. Gingras: Letters? No, never.

Mr. Fortier: Not at any time?

Mr. Gingras: No.

Mr. Fortier: Mr. Gingras, have they never suggested, directly or indirectly, that they were the owners of *Le Droit*, and that you should not publish such articles?

Mr. Gingras: Never, not once. Last year—I am going back to the previous question—a case occurred that is fairly typical, I think: when the Faculty of Education was being established, and the provincial Government in Toronto wanted to make it a predominantly French faculty, not to say exclusively French; the university authorities wanted to make it a

bilingual faculty—in other words, to train French-language and English-language teachers. Personally, I took the provincial Government's side against the University authorities—I was criticized, of course, but took no notice; I said: that is your opinion mine is different and similar to that of the provincial Government. The Government in Toronto is offering us something, and we are refusing it.

Mr. Gratton: Anyway, it's the same thing—there may be, I won't say "suckers", but all kinds of people who belong to such and such a group, who are going to make representations to us. But it's the dog that wags the tail.

Mr. Fortier: Do you receive any pressure of that sort?

Mr. Gratton: There again, that is question...

Mr. Fortier: You know, I have not followed the discussions here, the last month, but...

Mr. Gratton: As I said just now, in the 25 years I have been with *Le Droit*, I have never had telephone calls in which they let fly and chewed me out. First of all, my personal commitment was that I had interference from none, and as long as it served their purpose, would stay there; they kept me for 23 years and so I shall be retiring soon.

Mr. Fortier: Mr. Gratton, what role do the Oblate Fathers of Mary Immaculate play in the newspaper, *Le Droit*?

Mr. Gratton: None; and I can tell you that our board of directors meets every month; I have seen such things as proposals put forward by an Oblate father that were rejected because there were five against two.

Mr. Fortier: I think you explained just now that you were three against two?

Mr. Gratton: No, five against two; the laymen have control of *Le Droit*.

Mr. Fortier: Mr. Gratton, when did you decide to sell the CKCH shares?

Mr. Gratton: About three months ago without consulting the board of directors.

Mr. Fortier: I take it, of course, that the decision was confirmed by the board of directors?

Mr. Gratton: Yes, it was, afterwards.

Mr. Fortier: You say, "without consultation". So it was you who took the decision together with your colleagues?

Mr. Gratton: Well, you see, that becomes a very delicate question, because it could be thought that I am supreme, and that I do as I wish at *Le Droit*.

Mr. Fortier: Well, in order to get away from this delicate aspect, I shall put the question this way: when the decision was made, was it made on a question of principle, namely, that the owner of a newspaper should not at the same time be the owner of a radio station?

Mr. Gratton: I am happy you asked me that question; that is precisely the reason why—and note well—what we did was to sell only the radio part.

Mr. Fortier: Of CKCH?

Mr. Gratton: Yes; the properties are being retained—they are worth much more than the other part. We are not in business as a real estate agency, but if the CRTC approves the sale, we are selling all we have—even the property and a piece of land in Deschênes.

Mr. Fortier: As you know, of course, that is one of the problems the Committee will have to deal with: an individual or a company's ownership of various information media, that is the written press and the electronic press—and you decided that you should not have an owner of both. Could the Committee hear your reasons for that? How did you arrive at that decision?

Mr. Gratton: In the first place, as I was saying just now, *Le Droit* is expanding; the expansion has been fairly considerable over, say, the last four or five years, and we naturally had to concentrate all our efforts into a single organization, the press organization. I find it was a waste of time to divide our efforts between two organizations, instead of concentrating all of them on *Le Droit*. The purpose of that was, and I do not know whether you saw the statement that was issued on December 18:

...has decided to sell the radio equipment of CKCH in order to concentrate all efforts on the improvement of the newspaper and the modernization of its equipment.

Mr. Fortier: Am I to understand that from a social point of view, you see no objection to

one person's controlling both a radio station and a newspaper in the same area of Canada—or do you have an objection?

Mr. Gratton: Well, you see—we have run CKCH-*Le Droit* for about 25 years; I did not notice too many objections. But on the other hand, I do not like setting myself up as a judge on that point; it is rather for the Committee...

Mr. Fortier: We want to hear your views; that was the reason for your coming here, to give us your opinions.

Mr. Gratton: Of course, there is always a danger if opinion in a city is concentrated using the newspaper, the radio and television—that can probably become dangerous; but I would not say that it is dangerous to that extent.

Mr. Fortier: At what point can it become dangerous? Let us not discuss specific cases, but in general terms? At what point can it become dangerous?

Mr. Gratton: Well, look, you know as well as I that if you control the thinking of a whole community—it depends on the owners.

Mr. Fortier: If I understand aright, it is the inherent power that is dangerous, is it not, because as long as the power is properly exercised, obviously there is no problem? But is the Committee to understand that it is the exercise of that power that could be dangerous?

Mr. Gratton: Not necessarily.

Mr. Fortier: Could you conceive, say, in Canada, a region—or I could go farther and say: a province—in which all the information media were controlled by one person? Is it a good thing or a bad thing, in your opinion?

Mr. Gratton: In one province, it certainly is not a good thing.

Mr. Fortier: In a municipality, or a town?

Mr. Gratton: It still depends on the owners, for example. As you know, the Southams and the Lord Thomsons are often mentioned, but after all, those people are left in complete freedom to express their opinions.

Mr. Fortier: What makes you say that?

Mr. Gratton: Well, look, I have many colleagues in newspaper chains—Southam, Thomson, F.P.—and as far as the newspaper's

opinion is concerned, we may say that they are certainly free to express it.

Senator Beaubien: Like you?

Mr. Gratton: And I think that yesterday, I saw and read a copy of the report that Norman Smith is to present to you tomorrow, I believe; it cannot be said that the *Ottawa Journal* is controlled by F. P. Publications. Administratively speaking, certainly; you know, it is like control of the press; it is constantly said that one group controls the entire press; the Montreal group will be mentioned.

It is preferable for it to be in private hands; but on the other hand, I can assure you that we independents sometimes have trouble. I know that in our case, there are problems.

If you have a group of five or six papers, you can share your expenses, with the result that it helps you at the end of the year; but when you are independent, it is much more difficult to do it, because when someone is needed, such a group as the Montreal papers can send a man to Paris, and they can share that among five or six papers. But as for us, do we have the means to send a man to Paris? We do not. In this, there are advantages and disadvantages on both sides.

Mr. Fortier: Am I right in understanding you to say that essentially and basically, it is preferable for a newspaper to be independent?

Mr. Gratton: That, Sir, is the ideal; we always strive towards it, but it is not easy to achieve; the ideal is a wonderful thing, but when is it achieved?

Mr. Fortier: In this world?

Mr. Gratton: Not in this world.

Mr. Fortier: I would not want you to be shocked by my question, but do you at *Le Droit* look upon yourselves as an Ottawa newspaper, or as a Hull newspaper?

Mr. Gratton: A Franco-Ontarian newspaper, first of all. It says so in our brief.

Mr. Fortier: Yes, I know.

Mr. Gratton: First of all; naturally, we are near Hull, because Hull helps us too.

Mr. Fortier: Could you tell us how your circulation is divided between Hull and Ottawa?

Mr. Gratton: Mr. Bélanger has some figures, I believe.

Mr. Bélanger: Approximately 40 per cent of our circulation is on the Ontario side, and 60 per cent on the Quebec side. The bulk of our circulation on both sides of the river is, of course, concentrated in the Ottawa-Hull area.

Mr. Gratton: On the other hand, it must not be forgotten that Ontario is about 26 per cent French-speaking, compared with a figure of 92 or 93 per cent for Quebec.

Mr. Fortier: Whom do you regard as your main competitor?

Mr. Gratton: The two English papers.

Mr. Fortier: The two Ottawa papers?

Mr. Gratton: Yes, because this is an area that is 90 to 95 per cent bilingual, I would say, with the result, of course, that we do not get all the advertising the English papers get. Consequently, we may publish a 48-page paper one day, while the others are publishing a 76- or 80-page paper. There are many people who buy a newspaper for its thickness, not for its content.

Mr. Fortier: On the other hand, you say that your competitors are the *Ottawa Citizen* and *Journal*?

Mr. Gratton: Yes.

Mr. Fortier: In your advertising, you say—quote:

85 per cent of *Le Droit* readers indicate neither of the Ottawa English dailies read yesterday.

How do you reconcile that with what you say?

Mr. Gratton: You were told just now that our circulation is 40,000; the others have over 80,000. When we say 80, it is there that we must make a distinction. We are not discussing total circulation, because I can personally assure you that there is a duplication of circulation, in Ottawa, between the *Journal* and the *Citizen* and *Le Droit*—but we do have readership, according to a survey carried out by *Le Droit*, but by an independent company.

Mr. Fortier: What class of readers do you have? Haven't you already made a survey of the class of readers? Do you have some findings from this survey that you could give us?

Mr. Gratton: Yes, but it is rather difficult because, without wishing to be divisive, on one side you have the intellectual, and on the other you have the fellow who works in a factory, and so on.

Mr. Fortier: How does it break down, approximately?

Mr. Gratton: Well, let us say 40-60.

Mr. Fortier: The problem you have with the dispatches from the Canadian Press that you mention in paragraph 22 of your brief—and without wishing to suggest the answer to you, though you suggest it yourself—it seems to me that it puts you at a disadvantage in relation to your competitors in Ottawa, the *Citizen* and the *Journal*, which receive the dispatches in English?

Mr. Gratton: Yes, up to a point, you might say; the news will arrive in English, over the English wire service, before the French, and we have to translate—to have translators.

It's the same thing with advertising; 95 per cent of the people who advertise in *Le Droit* are English-speaking.

Mr. Fortier: How many?

Mr. Gratton: I would say 95 per cent; they send us the advertisements in English, and that is why we have to have a staff of translators, in excess of seven people—which increases our costs, because we have to translate, apart from the making up, because the English newspapers will very often receive the advertisement already prepared for the printer—while we have to translate, and set the whole thing up.

Mr. Fortier: It's all messed up?

Mr. Gratton: Yes.

Senator Beaubien: It's rather difficult, because you have to have a good man to do that?

Mr. Gratton: We don't have just one, we have seven working on translation, which increases our operating costs considerably.

[ext]

The Chairman: Could you not pass the cost of this translation on to the advertising agency?

Mr. Gratton: No.

The Chairman: Have you tried?

Senator Beaubien: He would pass the ad to somebody else.

The Chairman: Have you tried to pass it on?

Mr. Gratton: Not only that, sir, but what happened sometimes: the fact that both English papers are bigger than us...

The Chairman: Yes?

Mr. Gratton: They get the mats first and we get them only after. So instead of having two days to do the work, we have only one day. And then we have to translate and make it up, and everything.

The Chairman: Could you not have a service charge for this?

Mr. Gratton: I wish he knew the advertisers. What they want, they want.

The Chairman: Well, I know the advertiser, and they want to use your paper or they would not be placing advertisements there.

Mr. Gratton: Well...

The Chairman: I am sure you have considered it.

Mr. Gratton: We have.

[Translation]

Mr. Fortier: In your brief, you were discussing postal rates, weren't you, and obviously, as everyone knows, they have risen substantially. You do not give any figures, but you say that today, thousands of people are deprived of news the daily papers used to bring them, before the postal rates went up.

Might we know what percentage of your circulation was mailed, and what the percentage is today? How many readers do you have?

Mr. Gratton: On February 1, 1967, we had 7,815 mail subscribers. On December 31, 1969, we only had 1,750.

Mr. Fortier: You lost 5,000 subscribers?

Mr. Gratton: Over 6,000.

Mr. Fortier: Over 80 per cent?

Mr. Gratton: Yes.

Mr. Fortier: Is it your testimony, Mr. Gratton, that you lost...

Mr. Gratton: I have the supporting figures.

Mr. Fortier: But, your testimony is to the effect that you lost those readers because of...

Mr. Gratton: Definitely.

Mr. Fortier: Because of the increase in postal rates?

Mr. Gratton: Definitely. You see, what happens—is that it has always been said that the Post Office Department gave a subsidy to newspapers—which is as ridiculous as can be.

Mr. Fortier: In your opinion, it is a subsidy to the readers?

Mr. Gratton: Yes, to the readers, which means—you have 6,000 readers, and if you take an average of three per family, that is 18,000 readers that you do not have, who are now with radio or television. What I find most strange is that the CBC is subsidized, and not only to take employees away from us, but to take people who used to read us before.

Mr. Fortier: According to you—you made a study to find out whether those 5 or 6,000 readers received a newspaper today? If so, what was the result?

Mr. Gratton: On February 1, 1967, we had 7,815 readers, by mail; on February 1, 1968, we had 6,839 readers; on December 31, 1969, we still had 1,750—and that is the way it has been in the past year, because, as we send out invoices, which were \$15.00 before, and which now are \$30.00, people leave us.

Mr. Fortier: Those are very eloquent figures but I ask you, do you know whether those readers, who have dropped you, do they get another newspaper now?

Mr. Gratton: That is just it—because we always try to get those people back, they are seen, and they tell us: it is too expensive.

Mr. Fortier: No more newspaper?

Mr. Gratton: No more newspaper.

Mr. Fortier: And when they say, no more newspaper, that means neither *Le Droit* nor any other newspaper?

Mr. Gratton: Perhaps there is a weekly, but it cannot give the same information as a daily.

Mr. Fortier: But there is no daily?

Mr. Gratton: No, there is no daily.

Mr. Fortier: There is no daily which fills the void that is created?

Mr. Gratton: No, and as I said a while ago, when you think that *Le Droit* is the only

daily in Ontario, which represents Ontario thinking, and that our territory went as far as Hearst—you understand what is happening to-day—our circulation is gradually going down.

Mr. Fortier: Am I right in thinking that most of those readers whom you lost were living in Ontario rather than in Quebec?

Mr. Gratton: There are some in Quebec but mainly in Ontario—that is, the Sturgeon Falls area...

Mr. Fortier: Sudbury?

Mr. Gratton: Sudbury, Kapuskasing, Kirkland Lake—all those places.

If we could find it possible to deliver by motor vehicle, for example—well, we could get people at 60c. a week—that isn't as bad. But when a person has to give \$30 in one shot, they drop you.

Senator Beaubien: There would be no way of sending an account every three months only?

Mr. Gratton: Even for three months—that may mean, for three months, 32 or 33—can't give you the exact figures.

Senator Beaubien: That would mean more bookkeeping?

Mr. Gratton: Yes.

Mr. Fortier: Now, all those people, who are in large part French Canadians, living in Ontario, whose only newspaper was *Le Droit*, no longer have a newspaper?

Mr. Gratton: Yes. Where the main things were in *Le Droit*,—you know, you can have some in the English papers, but small things the main things were in *Le Droit*, and to-day they do not get them.

Mr. Fortier: I noticed in *Le Droit*—and even when I am in Montreal, I read it when am in the area—I noticed that you have reporters in many centres, in Ontario, do you not—as well as in Quebec, besides?

Mr. Gratton: Yes.

Mr. Fortier: Since you have lost all those readers, you know in what areas, obviously, you have lost them?

Mr. Gratton: Yes.

Mr. Fortier: I am sure that you have those figures. Do you still have people available in those places?

Mr. Gratton: That is so true that, until to-day, *Le Droit* did not have a correspondent in Toronto, and now, we have a man, and it is the only French language daily in Canada to have a correspondent at Queen's Park.

Mr. Fortier: Permanently?

Mr. Gratton: Yes, permanently; it is someone from Hamilton who travels every evening and morning to cover it.

Senator Beaubien: There is no way of delivering by truck, because that would cost too much?

Mr. Gratton: It is too expensive—and I might add, even if it does not interest the committee very much, that we tried a northern edition—which lasted for a year and nine months; we spent \$485,000 and yet, it was with the approval of the clergy there; it was an edition which was printed in Ottawa in the evening, which was postdated and was sent by truck during the night and was distributed in the morning; we began with 5,000 and the first thing we knew, we were down to 1,500.

Senator Beaubien: What did it cost? What did they pay for the newspaper?

Mr. Gratton: They paid the usual price.

Senator Beaubien: 10¢

Mr. Gratton: Well, at that time, it wasn't 1¢—it was around 7¢

Mr. Fortier: Unless Mr. Kierans decides to amend the Act, do you expect that you are going to have to live with those rates? Are you looking for a solution to the problem?

Mr. Gratton: We are looking; we are trying to organize truck delivery, everywhere, in the immediate Ottawa area. There is no point in thinking about the north, unless the person is convinced, and it is nothing for him to spend \$5 a year.

Mr. Fortier: I presume that you cannot absorb that increase yourself?

Mr. Gratton: Well—I have some figures. The Canadian Press has mentioned. Perhaps that is beside the point—but it was said that the Canadian Press should have a French service.

Mr. Fortier: That is not beside the point; that is part of the Committee's terms of reference.

Mr. Gratton: I was a member of the Canadian Press committee which made that study in 1965, taking 1964 figures as a basis naturally. I was a member naturally—it was the French service of the Canadian Press; I gave figures in the report; but if to-day we tried—it is impossible from the economic viewpoint. You know that we cannot charge—we tried to charge \$30, and you see the results, we lose subscribers; if you try to charge too much per line—in Ottawa, for example, we are trying, with the English newspapers, to keep the "milline rate"—I do not know what the French expression is exactly—it is the cost per line.

Mr. Fortier: Yes.

Mr. Gratton: When it is \$5, we could keep it at \$3.50, in Ottawa. We can't any longer because we have to increase the cost per line; it was increased by 2¢ a line, which is going to bring in approximately \$25,000, for the national advertiser, per year.

The wage increase alone that was given to the employees, in 1970, is around \$150,000.

In 1965, we paid \$16 less for a ton of newsprint than we pay to-day, since January 1. Do you know what that means, in five years? That means a quarter of a million dollars. We have to try and find ways to balance our budget—and that is not easy.

Mr. Fortier: Did you say that you have an agreement with the Ottawa newspapers concerning the milline rate?

Mr. Gratton: No, it is not an agreement. Only, if we charge too much, the national buyer in Toronto or in Montreal is going to say to himself that he can get it more cheaply in English newspapers.

Mr. Fortier: But, he will not be reaching the same market.

Mr. Gratton: He will not be reaching the same market, but well, you always have dealings with the English.

Mr. Fortier: I am quoting you.

Mr. Gratton: Yes, yes.

Mr. Fortier: Is that a fact, that they will not reach the same market?

Mr. Gratton: They will not be reaching the same market, but, as I said a while ago, you have a bilingual population, we do not have to lose our circulation; if we lose our circulation, we have to cut our advertising rates.

Senator Beaubien: Subscribers pay \$30 a year?

Mr. Gratton: Yes.

Senator Beaubien: Isn't there a way to send two bills—one every six months? They would forget that they have already paid?

Mr. Gratton: Yes, but you have the office work.

Senator Beaubien: Yes, but you could send them, and they may forget the first six months.

Mr. Gratton: You know, you cannot send out bills without that costing you some money. When we write a letter, it costs us \$1.75 a letter.

Senator Beaubien: Mr. Gratton, it costs you more to lose subscribers than to send two bills a year?

Mr. Gratton: Yes, I understand, but on the other hand...

Mr. Fortier: Mr. Gratton, you mentioned, in paragraph 13, that you do not publish any announcement "which may be false, misleading or immoral".

Are we to understand that you check the content of announcements, to find out whether it is false, misleading or immoral?

Mr. Gratton: Definitely, always.

Mr. Fortier: What standard do you use?—I am thinking mainly of the word "immoral".

Mr. Gratton: I will give you just one example, of a small municipality which you perhaps know—Ste-Cécile de Masham.

Mr. Fortier: I know the name.

Mr. Gratton: We received a notice that a certain gentleman married a certain young lady three months ago. Well, we checked and discovered that it was a joke that the people wanted to play on the fellow.

Can you imagine if we had published that announcement; that would have been libelous, would it not?

That is the way we have to check continually.

I also wish to tell you, on that subject, we are very strict. I can tell you, for example, that there is a merchant in Ottawa—not to-day, this happened about 16 years ago—he was sued and he came to see us at *Le Droit*, to tell us that we should not let that news

out, because he would consider it unfair to him—and he was a big advertiser. Therefore we lost that advertising for 14 years, he did not advertise in *Le Droit* because he had let out that news.

That is where we see freedom of the press. Just because someone advertises in *Le Droit* he is not going to get privileges—no matter who he is—even the biggest advertiser.

Mr. Fortier: He came back not long ago. He came back after 14 years?

Mr. Gratton: Yes.

Senator Beaubien: He was away for 14 years?

Mr. Gratton: Yes, and he came back after 14 years—two years ago.

Mr. Fortier: There are the so-called small advertisements, are there not? But, for national advertising, do you check whether it is false or misleading?

Mr. Gratton: Yes, definitely; we have had cases...

Mr. Fortier: What kind of check do you make?

Mr. Gratton: For example, if prices are being compared, a big automobile advertiser, for example, who apparently wanted to compare with another automobile advertiser—that was rejected.

Mr. Fortier: Do you often reject advertisements like that?

Mr. Gratton: That happens rarely, especially from the national point of view. Those things are checked mainly by agencies.

Mr. Fortier: From the viewpoint of immorality, have you ever rejected advertisements, publicity for films, for example, because, in your opinion, the publicity was immoral?

Mr. Gratton: Yes.

Mr. Fortier: Recently?

Mr. Gratton: Perhaps not recently, but there are certain films, where we put a question mark, and we investigate later.

Mr. Fortier: Do you investigate after it has been published it, or...

Mr. Gratton: No, no, excuse me—before.

Mr. Fortier: That means that you hold it back?

Senator Beaubien: You go and see the film?

Mr. Gratton: Well, there is no need to make secret of it—I do not know whether you recall the “Cloche Merle” matter.

I recall that the advertisement arrived at *Le Droit* in the afternoon, and that Mgr. Vachon had said: “That shouldn’t pass, under any considerations”. Well, it arrived around three o’clock, and at four o’clock, I went to the theatre to see it because, before it is ensured...

Mr. Fortier: Did you publish the advertisements for the film “I am Curious (Yellow)”?

Mr. Gratton: Yes, all the advertisements were published.

Mr. Fortier: In *Le Droit*?

Mr. Gratton: Yes. But there is always the moral rating, for example; on the same page, the film’s moral rating is shown.

Mr. Fortier: Who sets up that moral rating?

Mr. Gratton: It is a society in Montreal, I believe.

Mr. Gingras: It is the Office des communications sociales of the Canadian Catholic Conference which has an office in Montreal.

Mr. Fortier: It is not a provincial agency?

Mr. Gingras: No.

Mr. Fortier: To your knowledge, are there other newspapers in Quebec which publish that moral rating for films?

Mr. Gingras: It seems to me that *L’Action* publishes it; *La Presse*, *Le Nouvelliste*, I am not sure, but it seems to me that I have seen it in *Le Nouvelliste* also.

Senator Beaubien: English newspapers?

Mr. Gingras: I do not think so.

Mr. Fortier: A while ago, you mentioned Mr. Vachon. I recall that there was question, not so long ago—I believe that it was in November or December—of the purchase by the Bishop of Hull, of a certain property. Am I mistaken?

Mr. Gratton: It was the Archbishop of Ottawa, Mgr. Plourde.

Mr. Fortier: Well, at that time, did you take an editorial stand on the question, and if so, what was it?

Mr. Gingras: Yes, I took an editorial stand at the time. That was more than two months ago, it was at the beginning of autumn or the end of the summer.

No one exerted any influence, neither the Bishop nor the Oblates—contrary to what some seemed to fear.

I thought about the question for a fairly long time because I weighed the pros and the cons. I alone made the decision. I finally advised the Archbishop to sell to the National Capital Commission, the historic part of the Bishop’s palace, that is, the original building—to demolish the annexes, to build behind the property of the Bishop’s palace, parallel to the building which serves as a hall, as a diocesan centre—to construct a building identical to the diocesan centre—to live there and sell the house.

Mr. Fortier: You suggested it in an editorial?

Mr. Gingras: Yes, in an editorial—and there was no repercussion, except for thanks from the Archbishop.

[Text]

The Chairman: Mr. Fortier, is that all of your questions?

Do any of the senators have questions?

Senator McElman?

Senator McElman: I would like to go back to one point.

Mr. Gratton, I gathered from what you said a while ago that you felt the economies of chain ownership might be a compelling reason for an independent newspaper to become a part of them. Would you think with the public interest in mind, and competition, that it would be equally compelling or advisable that Eaton’s and Simpson’s merge into a chain and use joint facilities, and so on, to make savings and economies?

Mr. Gratton: Well, what difference would it make to the buyers, the person that would go and buy them, if they were amalgamated?

Senator McElman: There would be no competition.

Mr. Gratton: Competition? After all, you know, it is what it costs and what you get for your material.

Senator McElman: Well, that is one theory.

Mr. Gratton: Well, I believe it is a theory of business.

Senator McElman: You don't believe that competition has any effect in the marketplace?

Mr. Gratton: Yes. I do believe competition is good.

Senator McElman: Does it have any effect?

Mr. Gratton: It might have some effect, you know. But sometimes I wonder.

Senator McElman: You doubt, then, that competition between Eaton's and Simpson's has an effect on price?

Mr. Gratton: Well, I am not in that line. But I feel, you know, that as businessman they would be darned wise to get together. They would cut their costs. That is one thing, you know. If you have two...

Senator McElman: I stress the public interest, Mr. Gratton; not their interest; the public interest.

Mr. Gratton: Well, I don't know. The way I feel, you know, today, the worst it would be in years to come, that you would be able to operate small shops here and small shops there—you won't be. We know in Hull—I can give you this example because I live in Hull—you have a small corner store. They are independent, but if you go and buy there, they charge. And they do everything with a little black book. They charge everything. But at the end of the month the person that have paid there, how much more has he paid? He could have bought a lot cheaper going to one of the Steinberg's or IGA.

So it is in the people's interest.

It is all right. He has got the facilities, you know, to charge. He has got the facilities to charge. He will charge all right. But he is going to pay darned more at the end of the month than if he had gone and paid cash for the thing.

[Translation]

Mr. Fortier: If another French Canadian newspaper were published in Hull or Ottawa, would you publish the newspaper differently?

Mr. Gratton: No.

Mr. Fortier: Would the milline rate be different?

Mr. Gratton: No, but it might go up.

[Text]

The Chairman: Are there other questions that senators have?

Sorry, Senator McElman.

Senator McElman: On page 4, Section 13 you refer to the code of ethics relating to advertising. Do you at any time or periodically publish this code of ethics so that you subscribers can compare your performance against the code?

Mr. Gratton: We do.

Senator McElman: You do. How often would this be done?

Mr. Gratton: Well, I don't know. You see in the newspaper, like I said, you have got to have a certain percentage of publicity. And some days we are very down. We may go to sixty-five or seventy on Wednesday, but on Monday or Tuesday we may be down to thirty-five or forty.

Senator McElman: I am not speaking daily—once every two months.

Mr. Gratton: Well, let us say every three months.

Senator McElman: Every three months. Thank you.

The Chairman: Are there other questions that senators have?

Mr. Gratton, Mr. Belanger, and Mr. Giras, I would like to thank you. This has been, I think, a productive and useful session for us. I think all of us are familiar with *Le Droit*. Some of us read it quite easily. Some of us have difficulty, but try. But we are familiar with the paper. Add I think it has been particularly valuable to have you here. We are grateful for your coming. I am sure has taken time.

Thank you. Thank you for the brief as well.

The Committee adjourned.

—Upon Resuming at 8.30 p.m.

The Chairman: Honourable Senators, I now see a quorum and would suggest we could begin. I should perhaps begin with an apology, but I am not sure to whom it should be. For openers, I will apologize to Senators Evered and Beaubien who were under the impression the meeting began at 8.30. Some of the rest of us were under the impression, as were our guests, that it began at 8 o'clock so I will apologize to you for embarrassing you. I am sorry.

Senator Beaubien: I would apologize for holding you up.

The Chairman: Not at all. You did not know. I do apologize though, Mr. Blackburn.

to you and to all your people in your continent because this is an unusual session which we are having and you were kind enough to agree to come this evening and we were appreciative at 8 o'clock and we are doubly appreciative at 8.30.

Having said that, I will not labour the point.

I think you wanted to make one minor point before we begin.

Mr. Blackburn: Mr. Chairman, I may have, without intention, given evidence this morning with respect to the CRTC decision with respect to Mr. Bassett in the Toronto TV cable situation which was inaccurate and with your permission, I would like to withdraw that part of my testimony and file with you, sir, a copy of the decision of the CRTC.

The Chairman: Fine.

Mr. Blackburn: Which may have been slightly different from the decision as I described it.

The Chairman: Fine.

Mr. Blackburn: But I have not got a copy of the decision. I will have to send it to you by mail.

The Chairman: Mr. Heine, who is on my left and who is the editor of the *Free Press* has also asked to make a statement. He has a point he wishes to make.

Mr. Heine: Yes. A couple of points dealing with this morning's session. I think Senator Melman is entitled to an explanation on why possibly so many newspapers—I will speak for this one—have not commented more editorially on the activities of this Committee. In a sense I am tending to correct him on one or two things. As a fellow New Brunswicker, I am sure he will accept it gratefully.

Senator Prowse: In the spirit in which it is given.

Mr. Heine: Yes. It is largely due, I think—I cannot speak for other papers—but for this is due to the fact that we rather look on this Committee—you will not agree probably—as being an investigation, something in the nature of a trial, a confrontation and an adversarial situation.

In a sense—although legally it is not—we cannot understand—we look upon it as subterfuge. We feel when you have made your report, gentlemen, and given your views and

made your recommendations we will pull no punches in saying what we think about what you have done and said during your sessions and what you have come up with in the way of recommendations.

I have personally, and my colleagues have tended to support us in this, felt we should mark time on it till the matter is finished and for this reason there has not been any comment of your specific activities in the *London Free Press* editorial page and I strongly suspect that you will find this may be the case with other newspapers.

The other point I wanted to comment on and I tended to almost interrupt you at noon, sir, when you appeared to be adjourning was the use you made, sir, of the phrase "raw, naked and unadulterated power" in connection with the newspaper media. This is a very common opinion in the general public. I must confess I am a little surprised to find it among people with the experience of Senators and Members of Parliament but you find it there too. I do not believe it is so at all. The media do not exercise raw, naked, unadulterated power.

It may not be a fair comparison but we are adulterated—if you use it that way—in our power by the impact of other media, the newspapers, other newspapers, magazines, radio, television, billboards, handouts, government information bureaus and it is very much modified—I will not use the word "adulterated" here—it is very much modified by the attitudes of the public, who will not be picked up by the scruff of their neck and turned around 180 degrees in their opinion simply because an editorial writer says something on the editorial page. It just does not happen that way.

It is also modified by the responsibility exercised by publishers like Walter Blackburn and I hope by the kind of editorial staff we have on the *London Free Press*. I think it is very important to say this. I think you should realize that 75 per cent, an open and acknowledged 75 per cent of the 1700 newspapers in the United States are republican in their editorial page approach and in the last 38 years, since Herbert Hoover relinquished power, there have been some eight or ten years of Republican Government.

Now, if the raw, naked and unadulterated power of the press is as great as you think it is, sir, how does it happen that so many Democratic Governments continue to be elected in the United States?

The same thing applies in Canada.

Mr. Fortier: May be the democratic newspaper have a larger circulation.

Mr. Heine: I don't think so.

Senator Prowse: It could be the public has good common sense.

Mr. Heine: Yes, and that is exactly the point I am heading for. The public has far more common sense than a great many politicians and a great many newspaper men sometimes give them credit for and it is quite capable of surviving the manipulation of the so-called capitalist or establishment press.

A great many people seem to think that newspapers in Canada, the editors and publishers get together every morning on the long distance conference line and decide what the Canadian people are going to think in the next 24 hours and it simply is not so.

The people who feel this way often think that newspaper publishers are capital "C" and small "c" conservatives; that they are capitalists—entrepreneurs, but in the last half century, gentlemen, there have only been about a dozen years of Conservative Government in Canada. So the press, the media do not manipulate public opinion nearly to the extent that you have indicated by your comments, sir, about raw, naked and unadulterated power.

I felt the point should be made and made strongly.

The Chairman: Thank you. I think in fairness I will ask Senator McElman to comment on your second point. I would like to comment on your first point myself and I will do it very briefly. This is not a trial. It is not an inquisition. I subscribe totally to the rationale as to why newspapers are not editorializing on the Committee, the fact that the hearings are on. I accept that point totally. I agree with you.

However, I would hate to think that most publishers think that when they come here they are on trial. I do not think that is the way in which you from the *London Free Press* have approached these hearings.

Mr. Heine: No, quite.

The Chairman: If you had, I would regret it. This is in no sense a trial.

Now, on your second point about "raw, naked and unadulterated power", I will ask Senator McElman if he wants to comment on Mr. Heine's remarks.

Senator McElman: Yes, Mr. Chairman, very briefly. I will simply remind you that in my reference to this I said "I speak of the potential". I went on and I said I would emphasize the word "potential". I think that is almost direct quote.

If I were to use the same trend of thought that you have used, sir, in an argument—I do not propose to—it is not a good argument—neither yours nor the one I am about to use—I would say the proof of the pudding is... I would say that in all those years both in Canada and in the United States, there has never been a Socialist Government.

Mr. Heine: No.

Senator McElman: On your first point: Mr. Blackburn this morning referred to the fact that it was a bright sort of a spicy morning. That was not your terminology.

The Chairman: "Ear tingling" was the expression.

Senator McElman: Yes. Well I was tingling with enthusiasm and perhaps we can leave there.

Mr. Heine: Yes. If I might end it on facetious note, I once was told by President Truman of the United States—and he was quite serious in this—he wasn't joking—said "As long as the publishers of the United States were opposed to him he knew he was going to continue to be re-elected." And soon as those—he used rather strong language—started to agree with him, he knew he was in trouble.

Senator Prowse: He might even know he was wrong.

Senator McElman: To be equally facetious on your second point, I give you the analogy of the cross-eyed rooster in the chicken yard.

Mr. Heine: This sounds like a Maritime story, sir.

Senator McElman: He was starting to run down the yard and two chickens were staring together and one said to the other "Let's separate. He might miss us both."

Mr. Heine: Well taken.

Senator McElman: I think you missed your second shot.

The Chairman: I have one comment on your second point and not being facetious I made reference this morning to the Fair

Newspapers Act of the United States. I think that Mr. Heine, that you are perhaps familiar with what is happening. You should study what is happening in the United States Senate at the present time. You will see that the newspapers in the United States do indeed have enormous political leverage which they are prone to use on occasion and they are using it at the present time. I think that should be on the record.

Mr. Heine: I distinguish between direct political influence of newspapers and their ability to manipulate public opinion. I do not consider that newspapers have nearly as much capacity to manipulate public opinion as many people seem to think they have.

Senator Prowse: Mr. Chairman, may I ask a question here that is right in line with this question and apropos of what you said.

The Chairman: I would like to settle down a few minutes but go ahead.

Senator Prowse: We have had some discussion on it and besides I came here early.

The Chairman: Senator Prowse, if you don't realize the meeting was at 8.30, it is not my fault.

Senator Prowse: The phenomena you referred to—that of 87 per cent or whatever it is of the editorial pages in the United States being opposed to the successful presidential candidate year after year, with one or two exceptions, has been a matter of concern to me. I have wondered if perhaps the answer was that from your standpoint as an editor, I would be interested and I think it would be useful to us—to know if you would agree with the only explanation that occurred to me that is because of the sympathy of the reporters, chiefly because they were underpaid, with an administration that was interested in elevating the position of the people but unconsciously in their work through their stories, a sympathy for, let us say, particularly the Roosevelt administration, communicated itself to the people reading it; even though any American I have ever met thought that this was a four star disaster. Obviously the majority of the Americans voted for him.

The only explanation I can see was that somewhere through that comment and perhaps it was through the working press itself, the fellows that were writing these stories, that their objective stories carried unconsciously a sympathy which communicated itself to its readers.

Now, as professionals in the area what I would be interested in is: if this be a reasonably sound assumption on my part. I don't care who answers it.

Mr. Heine: I don't know, sir, whether I can honestly say that I think it is sound. It does exist in degrees.

Senator Prowse: Is it true?

Mr. Heine: It is true in degrees but how much in degrees, is a very subjective judgment which I am not prepared to make.

In the same talk that I had with President Truman—I was a very young reporter but I remember very vividly because I mentioned the reporters speaking, the reporters at the press conference and he said what you say that—"these reporters are on my side. It is the publishers back home that are against me."

Senator Prowse: I am glad I am in good company for once.

Mr. Heine: I do not know that either he or you are entirely accurate in assuming this to be the case throughout. There may be an element of it but to what degree it is, sir, if it exists—and I do not know to what degree it exists, but if it does, it tends to emphasize the point I am trying to make; namely, that publishers, even the very best ones in the world, do not have the absolute control even over their own newspapers, that people tend to think they have, which re-inforces the argument I was making against raw, naked and unadulterated power.

Senator Prowse: There is something we do not understand that communicates itself. Whether it is unconscious bias from the reporters or plain common sense on the part of the readers. You can take people just so far but you cannot make them drink. Is that about it?

Mr. Heine: Exactly and I subscribe very strongly to the school that argues that it is neither the direction of the publisher or the editor or the general manager, nor the manipulative capacity of the media, nor the bias, if there is one—and we all have it to a degree—of reporter and editor as much as it is the basic, common sense, of educated people in a democracy, which is the way we all survive in a western democracy. I subscribe to this school strongly and there is something in what you say in terms of the reporter vis-à-vis the publisher or editor. It is not nearly as great as you indicated it is. The

real strength lies in an educated and politically sophisticated electorate.

Senator Prowse: I did not indicate anything. I just asked the question. May I ask one more while I am here?

The Chairman: Yes.

Senator Prowse: The emphasis we get from everybody is the importance of complete objectivity in the reporting of the news. But at the same time everybody accepts the fact that in reporting news, we have to select and in the selection, if you are going to be objective, you are going to so emasculate it, it ceases to be news.

Would we perhaps be getting a more useful press if we identified the reporters and allowed his bias to come through and the editor of the paper tried to see that the reporters of different bias were balanced in their representation in this paper?

In other words, leave it to the reporter. Do not say "Leave it out" because you can make more mistakes by leaning over backwards by far, than you can by being obviously biased; but would it be easier for the public to differentiate if the bias was there but clearly identified and then I can read it and I can say "Well, you know—this one—but this one, is a little better sense. I will buy that, bias and all. I will make allowance for the wheel I know is being sharpened. It is the wheel I do not know that is grinding my axe that throws it off balance."

Mr. Heine: Particularly in one newspaper column...

Mr. Blackburn: I think Mr. Williams, the editor, would be interested in this.

Mr. Williams: Mr. Chairman and Senators, I think if I outlined all of the bias that each one of us has it may be more lengthy than the story.

Senator Prowse: It would make a good story.

Mr. William: As the story moves from the information gathered, the person who is on the scene, through the city desk or the wire desk, through the news editor, there is the judgment of experienced people. All of us have our own bias and we recognize it and we try to eliminate the bias in the report, so that as far as is possible in our judgment there is no bias in the printed story.

There probably is in the accident case, the one car that was hit by the train and the 300 that were not. There is some inherent in the process of things but I am not sure that your solution would be of help to the reader really.

Senator Prowse: Well, what I have in mind is a situation like let us take the automobile accident case. As a lawyer, what happens as you get two people telling you what happens in an accident? One was in one car and the other was in the other and so help me, you have trouble knowing that you are even in the same continent. Somebody says there are a lot of liars around here but you find out after a while they are not liars. They are just telling what they had to remember.

Now, I am not worried about the newspaper report of the accident case but I am thinking about political reporting—I will tell you one more thing here. I was asked at one time when I was working as a reporter, and doing some other things as well, to cover myself. This embarrassed me quite a bit and must admit that probably I was afraid that would not give myself the coverage—because I was going to lean over backwards to be unbiased—that really I knew I was entitled to.

Now, I think when you start to say you are going to be completely unbiased in your coverage that in your effort to be unbiased you may be leaving out something because you say "Oh well, we shouldn't hurt him or we shouldn't promote him", and in your effort to be unbiased, you bring in a report that doesn't cover the fact and how can you avoid it?

But if you have a clear bias which the judge has—he listens to one and he listens to the other and he says "Well, somewhere down the middle, sense must run here" and for various reasons he decides one way or the other. If you are a lawyer, you lose the case. They don't know much either.

The point I am getting at is in trying to eliminate the bias from your reporting to be objective, we may be distorting the truth more than we would by using a subjectively biased report but clearly indicating its source and the basis of the possible bias.

Mr. Heine: If I could comment on that, sir, I think you will find that what you are talking about is already happening in a great many newspapers. We do not have two things on our paper; i.e. news and editorial comment. Now, we have news. We have a great many by-line writers. In the *London Free Press* and

ave a dozen, you know, Charles Lynch, James Reston, the bit. We also draw heavily on our own news and editorial page staff to comment, under their by-line, as they see it and this may not be what the actual editorial of the newspaper says. It might be quite different. So these three things are now in most good newspapers. The point you are making is well taken and good newspapers have recognized it in degree. They may not have belled it out to themselves quite as you have but they are all moving to have news, the newspaper's considered reasonable position in editorial comment and columns of all political issues, commenting on the news with by-lines so the readers can identify them.

What you are asking is being done now.

Senator Prowse: So the mix is there.

Mr. Heine: The mix is there in my opinion, is.

Senator McElman: Mr. Chairman, before this goes as someone suggested from the latitudes to the ridiculous, I should correct something that I think you intimated. I was not speaking for the Committee but as a member of the Committee. I think that is quite obvious and I think there perhaps was a inflection that should not be there.

Mr. Heine: Sorry.

Senator McElman: I should say as well, this morning I was trying very very hard to flush out some comment in depth that we have not been able to get thus far in certain important aspects of this whole inquiry and by George, I think I have had some success in it.

The Chairman: Mr. Heine, while Mr. Fortier is organizing himself to ask you a question let me ask you to comment on something that Charles Templeton said.

Mr. Heine: I am not sure I follow that.

Mr. Fortier: Neither did I.

The Chairman: Following up the discussion you were having with Senator Prowse, Charles Templeton, when he was here as a witness, said the working press in Canada by and large is inclined to be a small-l liberal. Would you comment on that?

Mr. Heine: To the degree that the working press in Canada represents a cross section of the population and to the degree that the Government of Canada happens to be people who will be considered small-l liberal, I

suppose you are probably correct. In other words the majority of the people in the country seem to have elected a group of people who call themselves Liberals. If the press...

The Chairman: The point I was going to make is not everyone calls them small-l liberals.

Mr. Heine: I am not dodging it but if the working press of the country represents a cross section of the country in terms of the political spectrum, then I would expect the majority of them would be oriented the way the majority are, which is towards the Liberal Government at the present time.

The Chairman: Mr. Templeton carefully spelled out the fact he was not talking in terms of partisan political considerations of either Liberal or Conservative but rather in...

Mr. Heine: I took you literally, deliberately of course.

The Chairman: I am aware of that.

Mr. Heine: If I took you as you meant it, I don't really think I could comment with great validity there.

At the *London Free Press* we have people of all political hues who write regularly for us. One man is so far over on the right of the political spectrum that I am quite certain if he was in the United States, he would belong to the John Birch Society.

We have another man who we respect very highly too and who does a very competent job, who recently resigned as an international representative for a large Canadian Union and came back to our staff as one of our reporters.

I just do not think the question is answerable honestly. I can give you an answer but I don't know it would be an honest one because I do not think it is answerable.

Senator Prowse: Is it an economic association?

Mr. Heine: I do not understand the question, sir.

Senator Prowse: Do people tend to identify with people that they think are in their own economic area? Let me put it this way. They identify themselves with working stiff. They are people who work for a living and they say "All right, my interests are with labour, they are not with management."

This is a very general and incorrect way but it will serve as a guide.

Mr. Heine: I am a hired man. I work for a salary. I do not consider myself...

Senator Prowse: But you have a title.

Mr. Heine: Yes, rather.

Mr. Carradine: I wonder if it is more of a personal characteristic and not an economic thing that we are talking about. I believe this is more of a symptom of the personality and character of the type of person who goes into journalism.

The Chairman: That was the point that Charles Templeton was making.

Mr. Carradine: Again, we have an assortment of journalistic students here right now. I think these are the type of people who are involved in causes—who go out to see demonstrations to find out what is happening in the world.

I think these people tend to be a little bit to the left of centre. I am not saying that in any derogatory sense at all.

Possibly this is why the press tends to be small-l liberal, if you want to put a tag on it. This is just a very philosophical argument which may not advance the question very far.

Senator Prowse: It is a pretty acceptable answer.

Mr. Blackburn: I would agree with Mr. Carradine's answer. I think editorial people on the whole—this is not confined to only them—are progressive in their thinking. They like to see developments which are worthwhile occur and publishers do as well.

Mr. Heine: Yes.

The Chairman: Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman. Mr. Heine, I think you have made your point and I am not sure I do not agree with you with respect to the inability of newspapers to really manipulate public opinion, but isn't there another aspect to the issue though; that in your selection of news you, in fact, very much influence the issues which people will think about.

Mr. Heine: Yes, and it is a grave responsibility which Mr. Williams and his staff and all of us, including Mr. Carradine and Mr. Blackburn, take very seriously.

Mr. Fortier: Then in this respect would you not agree that this power to influence those events to which people in your community will apply their minds, is raw, naked and unadulterated power.

Mr. Heine: We are back to that again. No if the basic...

Mr. Fortier: The power is there, Mr. Heine.

Mr. Heine: No.

Mr. Fortier: The power is not there?

Mr. Heine: No.

Mr. Fortier: The power is not there?

Mr. Heine: It is the responsibility, Mr. Fortier, and it is taken seriously by everybody in our organization involved but the power—and I still make the point—is not nearly as great as your question would imply because the educated and politically sophisticated electorate can tell when you are manipulating the news for your selfish advantage and they will do something about it in the long run. They will probably find something else to read.

Mr. Fortier: What will they do in a one newspaper town?

Mr. Heine: They tend to ignore the manipulative elements and I made the point concerning politics on an American and Canadian basis in order to illustrate the point.

Mr. Fortier: There is no suggestion on my part this is being done by the *London Free Press*.

Mr. Heine: No. We are arguing an academic situation, I realize that.

Mr. Fortier: Yes. I am suggesting to you the power is there.

Mr. Heine: No.

Mr. Fortier: Let us not qualify the power but the power is there.

Mr. Heine: No, because again in a western democracy the great mass of educated relatively politically sophisticated public do not accept a manipulation of that order which you are talking about.

Now, what happens in practice, you give the kind of situation we have in the *Free Press* and given the encouragement in the direction of publishers, we are able to draw public attention to matters of concern to the community and to give leadership sometimes.

where it is needed. If it is honestly needed and if the community accepts it as an unselfish leadership, then it will be accepted in part by some and will therefore influence the course of events; but it is a matter of degree and degree is dependent entirely, in my opinion, on the integrity with which you approach his responsibility.

Mr. Fortier: That is my whole point.

Mr. Heine: Yes.

Mr. Fortier: So that is my whole point. So at the event that these people who are saddled with this responsibility do not have the integrity which you do have, then that power could be exercised and public opinion moulded in a way which would not be to the advantage of the community.

Mr. Heine: There are many publications which attempt to manipulate public opinion and public attitudes in ways they should not be manipulated.

There are some rags of sex publications knocking around the big cities. There are all sorts of things but are they widely accepted?

No, because we have an educated people in this country who know integrity when they see it.

Mr. Fortier: What can they do in a given area where there is only one newspaper or more than one newspaper is owned by the same person and certain news, which is of direct interest to that community, is not published in the newspaper?

What can those intelligent readers do about it? Where do they get their information?

Mr. Heine: Well, it is a bad situation, is it not?

Mr. Fortier: Well, I asked you the question. What can they do about it?

Mr. Heine: Well, to put it in our own context, which is the one I prefer to deal in because I don't like to name names outside of that, if we were not doing a competent job, I would think that the people of London would find, more and more, to buy more and more copies of *The Globe and Mail*, a very fine newspaper, the *Toronto Star*, a very fine newspaper, or maybe the *Windsor Star*. Maybe some of the local dailies around would grow in their responsibilities and supply the sort of need that we were failing to do.

Mr. Fortier: It is highly unlikely.

Mr. Heine: It is quite entirely possible, sir.

Mr. Fortier: But do you agree with me that the power is there?

Mr. Heine: I think I will have to stand on what I said so far, Mr. Fortier.

Mr. Fortier: Perhaps Mr. Blackburn would like to comment on that.

Mr. Blackburn: I think you are referring basically to the story which is not published.

Mr. Fortier: I am referring, Mr. Blackburn, to the story which is not published or to the story which is not published in full.

The Chairman: The phantom story—to recall the phrase of this morning.

Mr. Fortier: Which I have termed "Mr. Blackburn's white elephant."

Mr. Blackburn: I think the power of a newspaper not to publish a story is, in fact, a power which should not be exercised. Sometimes we are forced to fail to publish stories because we could not get them and we are disappointed when we report that our reporter endeavoured to attend the meeting—normally in our case a municipal meeting—and was not permitted to enter the room.

Public reaction is disappointing quite frequently, but this is a story which we have endeavoured to get and which we have not published and I think that is a loss to the community. It certainly is, in our judgment.

Mr. Fortier: And do you report in your newspaper the failure of this particular council to allow one of your reporters in?

Mr. Blackburn: We do, we do.

Mr. Heine: Mr. Honey might comment on some of our editorial positions on this very matter.

Mr. Honey: We have taken quite firm editorial positions on several municipal boards which have refused our reporters access. In fact, I think you can say we have run an editorial campaign to open the meetings.

The result of the last municipal election was that three or four candidates for the local Hospital Trust, campaigned on the issue of open meetings and I think two of them were defeated.

The Chairman: What percentage of the electorate voted in London?

Mr. Honey: Thirty-one percent.

The Chairman: I contrast that statement with the statement that Mr. Blackburn made a moment ago with the suggestion that the citizens of London apparently are not aroused by these closed meetings; and I contrast it with Mr. Heine's repeated reference to "politically sophisticated electorate."

Mr. Carradine: I believe this is quite true. Our belief is that there was not a sufficiently stimulating mayoralty campaign to bring the people out to vote.

I believe that our coverage of the last municipal election—and again I cannot speak from history—but I believe it was probably more extensive than anything we have ever carried in the past.

Mr. Heine: Page after page.

Mr. Carradine: But the people were apathetic. They were not stimulated to come out and vote even though we covered the issues—I will not say ad nauseam—but really in great detail, and possibly this is the reason.

We have a mayor who was running for re-election against two other people who, in my opinion, were not really satisfactory candidates and the people were just not interested.

The Chairman: We had a similar experience in Toronto. Again I have said several times on this Committee that the coverage on the municipal election by the three Toronto papers was the best I can ever recall.

Again there was 31 per cent who voted in Toronto, and I just wonder about the repeated references Mr. Heine has made to these same 70 percent of the people who sat at home as being politically sophisticated.

Mr. Heine: Let me try to rationalize that. In the town of St. Marys—what was the name of the other place?

Mr. Williams: Mitchell.

Mr. Heine: Mitchell, the fire chief and the hippies.

There were two towns in Western Ontario, Mitchell and St. Marys where the electorate did become concerned and did become interested to the point that in both these communities, without a great deal of prior publicity on our part, they turfed out the entire council and put in another new one over an issue which was very meaningful and real locally.

Now, certainly you can have a non-issue election such as Mr. Carradine has described with an incumbant mayor and two relative newcomers, people not known and no issue. But where the issues are there, this is where the crunch comes and this is where the politically sophisticated electorate enter the situation.

The Chairman: Have more than 40 per cent of the people voted in a municipal election in London in living memory.

Mr. Heine: Yes.

Mr. Blackburn: You will be interested, Mr. Chairman, we are now campaigning to change the time of the year in which municipal elections are held. We hope to influence public opinion in this case.

We feel that the first Monday in December is a poor time as quite often the weather is poor. We are endeavouring to convince the electorate and the elected officials that it should be the latter part of September or the early part of October.

We feel this might help to permit more people to turn out to vote; to encourage them to come out and vote, particularly more people who are less able to get around or poor roads or streets.

Mr. Fortier: On this issue of closed in-camera council meetings, do you feel this is an area where press councils would be useful?

Mr. Blackburn: Yes. I mentioned that this morning. We would lay a complaint in our case with the press council against the electorate if we had endeavoured to attend the meeting and had been refused and we felt we had a right to be there.

Mr. Fortier: Would you approach in-camera sittings of a trial in the same way?

Mr. Blackburn: No. You mean a trial in the courts?

Mr. Fortier: Yes.

Mr. Blackburn: I am sorry. I think I would have to decide that on the individual case. Mr. Fortier. I could not make a general statement.

Mr. Fortier: If it was a case that was of definite interest to your community and the presiding judge ruled—as he is empowered to do under the Criminal Code—that the hearing should be held in camera, would you comment on it?

Mr. Blackburn: I think we would probably find a reporter there and report that he had not been permitted access to the court and let go at that, very likely. I do not think we would get into a fight on such an issue with a judge.

Again there might be a case where we would wish to insist but I cannot be entirely specific.

Mr. Fortier: No. Now, Mr. Blackburn, the Southam Press owns 25 per cent of the common voting shares of London Free Press Holdings as well as a somewhat similar percentage of CFPL Broadcasting Limited. I will leave the broadcasting company aside for the time being.

Would you please tell this Committee what is the nature of Southam's interest in the London Free Press?

Mr. Blackburn: You mean, other than financial interest?

The Southam Company has a member on or Board of Directors.

Mr. Fortier: How many members are there on the Board?

Mr. Blackburn: Five, and Southam Press has one member, who is Mr. St. Clair Balfour, the President of Southam Press. Southam Press has no management involvement as such and never in fact has wished to exercise any.

Mr. Fortier: You inherited this fact, this more or less Southam relationship?

Mr. Blackburn: Yes.

Mr. Fortier: Or investment in the London Free Press?

Mr. Blackburn: Yes. It goes back many, many years where the thing is outlined in our brief, back to 1907—the early part of the 20th Century.

Mr. Fortier: Have you ever sought to purchase the Southam interest in the London Free Press?

Mr. Blackburn: Do I have to answer that question? These are personal matters.

The Chairman: I think the question was...

Mr. Fortier: Whether Mr. Blackburn ever sought to purchase Southam Press Limited's 25 per cent interest in the London Free Press Holdings Limited?

The Chairman: Well, perhaps that is the kind of question which you may comment on to us in private later.

Mr. Blackburn: Yes.

The Chairman: Would that be satisfactory?

Mr. Blackburn: Yes.

Senator Prowse: There would be a corollary.

Mr. Fortier: I was going to ask that. My following question was: whether or not Southam—I will ask it...

The Chairman: Yes. I will make the same ruling.

Mr. Fortier: ...Press Limited has ever sought to purchase from you your 74.08 per cent interest in the London Free Press Holdings Limited?

The Chairman: I will give the same ruling.

Senator Prowse: The third question is: has anybody else?

Mr. Fortier: Well, all right.

The Chairman: I think before you say "All right" would you like to answer?

Senator Everett: Mr. Chairman, I do not think the witness should be called upon to give an answer to that question at all, either in public or in camera. It is almost a hypothetical question. We are concerned with what the present ownership situation is.

The Chairman: Well, Senator Everett, I am grateful for your comment.

Senator Prowse: Mr. Chairman, before you make your comment, may I suggest that possibly the thrust of the question is that we are concerned by offers that may be being made in order to increase concentration. Now, that is the basis of the question.

The Chairman: Having indicated a ruling, I might perhaps have ruled somewhat differently had Mr. Fortier put the second question first because I think, with respect to Senator Everett, that the second question certainly is germane to this kind of discussion. I am not sure that the first one is and perhaps on both questions you would prefer to answer privately in writing. That would be satisfactory.

Mr. Blackburn: I think on second thought I would prefer to answer now.

The Chairman: Do not feel you must.

Mr. Blackburn: There have been approaches made by Southam Press, by Thomson Newspapers and by F. P. Publications to purchase the *London Free Press*. I have not offered or endeavoured to purchase, in return the chain.

Mr. Fortier: That was my last question.

Mr. Blackburn: I might say I do not like that word "chain". I should have used "group". I think "chain" has an unfortunate connotation which is not proper.

Mr. Fortier: You make use of the Southam news wire service, do you not?

Mr. Blackburn: No, we do not, Mr. Fortier. We do buy the Charles Lynch column and we pay for it if we use it.

Mr. Fortier: Pardon?

Mr. Blackburn: We pay for it if we use the Charles Lynch column but we do not buy the Southam News Service.

Mr. Fortier: Is there any reason for that?

Mr. Carradine: Maybe Mr. Heine might like to answer that.

Mr. Heine: We considered it seriously at one point for no other reason than we thought it might be useful to us. But on examining the flow of news of Canadian Press, which does a very competent and workmanlike job of covering the national scene and the work of our own correspondent in London, and the columnists we buy, we decided it would not add that much and chose not to take it.

About the same time—this was an entirely separation decision—we decided to add the New York Times Wire Service to our flow of news in the Free Press and this gave us the balance that we felt was important.

Mr. Fortier: Are the resources of the Southam Group available to the Free Press in any way?

Mr. Blackburn: If we wish to ask questions with respect to management matters, costs, pensions, and such matters, they are prepared to give us the information we ask for, normally.

Mr. Fortier: So you do have access to this advantage?

Mr. Blackburn: Yes, and we make use of that.

Mr. Fortier: The American Newspaper Guild has no contact with the London Free Press?

Mr. Blackburn: It has not, no.

Mr. Fortier: If my memory serves me correctly, there are no craft unions at all?

Mr. Blackburn: There are two craft unions. Members of our staff belong to two craft unions, the stereotypers, the International Stereotypers and the Electro-typers and members of our Stereotyping Department do belong to that union and certain of our maintenance electricians belong to the local craft union.

Mr. Fortier: You were here—Mr. Blackburn...

Mr. Carradine: I should add, Mr. Fortier, 1 members of the stereo department do have cards in the union but the union is not certified as the bargaining agent of the organization.

Mr. Fortier: Thank you. You were here Mr. Blackburn, when Mr. Bassett testified on the Friday before Christmas, were you not?

Mr. Blackburn: I was not here. I was afraid of not getting home because of the possible Air Canada difficulties so I left.

Mr. Fortier: You may have heard or read that he told the Committee that the American Newspaper Guild had improved the professional calibre of reporters and editors by bringing about better salaries and working conditions.

I wonder if you would care to comment on that statement by Mr. Bassett, for the edification of the Committee.

Mr. Blackburn: Frankly, Mr. Fortier, I have not had any experience with the American Newspaper Guild. I am really not competent to comment.

It does appear where the Guild has contracts that the reporting is quite well done not necessarily, in my opinion, any better done than where it is not, frankly.

Mr. Fortier: Do you have a company policy on unionization?

Mr. Blackburn: No. We have an employee association or our employees have an association with an elected council.

Mr. Fortier: This is a very personal question but I think it has relevance in view of some of your comments this morning, Mr. Blackburn. In your curriculum vitae, which you annexed to your very substantial and very good brief, I note that you are a director of the Canada Trust Company.

Mr. Blackburn: Yes.

Mr. Fortier: Is this the only outside directorship that you have accepted?

Mr. Blackburn: It is the only one which I presently hold. I was a director of Northern Life Assurance Company and had to resign because I had not the time to devote to the work and to do it properly.

Mr. Fortier: Do you consider this is a good thing for a newspaper publisher to be associated with companies who operate in this milieu?

Mr. Blackburn: I find it helpful to have that association.

Mr. Fortier: In what way?

Mr. Blackburn: I am not a financier. I think that it is quite apparent to you. I am an operating—I suppose one way say—publisher and broadcaster. However, I am responsible for the operation of a rather large business. I find the information which I am able to get as a director of Canada Trust, helpful in my operation.

Mr. Fortier: Did you not ever consider...

Mr. Blackburn: It is the only access I have to that kind of information.

Mr. Fortier: In selecting one trust company or one insurance company did you not consider that the situation may arise, where in your newspaper there would be raised an issue, which concerned this particular company or even maybe more important, other trust companies or other insurance companies where you, as a newspaper, would have to take an editorial stand and that you might feel a little hamstrung because of your directorship?

Mr. Blackburn: I would not. I would resign and carry on.

Mr. Fortier: You would resign.

Mr. Blackburn: Yes, indeed.

Mr. Fortier: If such a situation arose?

Mr. Blackburn: Yes. If there was a conflict of interest I would give priority to my communications responsibility.

Mr. Fortier: After listening to you, I believe you. In the same section or in the same area, has a situation ever arisen in London where your multi-media ownership has caused you in the eyes of the community some inconvenience, should I say?

The Chairman: Can you explain that?

Mr. Fortier: Yes. I am thinking of the John Dickins case.

Mr. Blackburn: I almost read your mind.

The Chairman: Do you want to ask the question more specifically then?

Mr. Fortier: Would Mr. Blackburn comment on the Jack Dickins case?

The Chairman: Well, for the benefit of the other senators and other people who may not know what the John Dickins case is, do you want to elaborate or is that necessary?

Mr. Fortier: I am certainly willing to.

The Chairman: Why do you not take a moment and do that.

Senator Prowse: You might as well tell us what we are talking about.

Mr. Fortier: Mr. John Dickins was the reporter or the open-line radio announcer on the CFPL open-line programme in London.

Mr. Blackburn: On a freelance basis.

Mr. Fortier: Pardon?

Mr. Blackburn: He was a freelance performer.

Mr. Fortier: He or his wholly owned company had a contract with your company, with the radio station, which expired, I believe, on December 31, 1969.

Mr. Blackburn: Correct.

Mr. Fortier: That contract was not renewed and he claimed publicly, and as a matter of fact he wrote a letter to the editor which was published in the October 22nd issue of your newspaper where he claimed he was fired. He claimed he was fired for various reasons which I think could be summarized succinctly as being because the management of the London Free Press was not in accord with some of the stands he took on his open line radio programmes.

Now, I think it would be very important for the members of the Committee to hear what

your views are on this particular situation and I come back to my first question: whether or not this is one of the situations where, because of the fact that you were associated with both the radio station and the newspaper, you were put in a position where you had to choose between the two, in effect.

Mr. Blackburn: Mr. Chairman, may I ask Mr. Brown to outline the broadcasting part of this particular situation...

The Chairman: By all means.

Mr. Blackburn: And then we will handle the newspaper.

The Chairman: I might ask you to begin perhaps by saying whether the facts were substantially, as outlined by Mr. Fortier?

Mr. Murray Brown, President and General Manager of CFPL Broadcasting Limited: Yes, Mr. Chairman. Other than the fact that the newspaper had nothing to do with Mr. Dickins departure from CFPL Broadcasting.

Mr. Chairman, if I am to deal with this question, I feel quite properly I should deal with it as president of CFPL Broadcasting and no association with the newspaper, as I have done with the Canadian Radio and Television Commission. I voluntarily filed with them a report outlining exactly what our working arrangement was with Mr. Dickins and what happened. I will be quite happy to file copies with your Committee, Mr. Chairman, of what I filed with the Commission.

The Chairman: Fine.

Mr. Brown: Or I can read it in part or in its entirety.

The Chairman: Can you file it and could you also now read it in part?

Mr. Brown: I would be quite happy to read the substance of it.

The Chairman: Fine.

Senator McElman: First of all, was it voluntary or at the request of the CRTC?

Mr. Brown: Voluntary.

"Mr. Dickins, as was mentioned, was not an employee of our company. CFPL engaged John Dickins as a freelance talent through an agreement with his proprietorship, Broadcast Design. Freelance talent arrangements are common in the broadcasting industry. As the term

implies a freelance arrangement allows the performer the freedom and time to participate in other commercial activities—in addition to the services provided to the broadcasting station.

"Mr. Dickins quite properly had other business interests. He operated a commercial broadcasting school in London known as the National Institute of Broadcast Design. Through his proprietorship Broadcast Design, he provided advertising consultant services to such clients as the PUC, the East Town Chevrolet, MacDonald Drive-In Restaurants and many others.

"A freelance arrangement also provides both the performer and the station with the right to terminate the working arrangement under whatever terms exist in the agreement.

"In the agreement dated January 1, 1966 between CFPL and Broadcast Design, either party had the right to terminate the agreement on 30 days' notice. Under the same agreement, Mr. Dickins was to perform six open line broadcasts weekly for 52 weeks. For this service CFPL paid Mr. Dickins a fee of \$80 per programme approximately \$25,000 per year; at the same time allowing him to perform whatever other services he wanted in the community.

"Following a period of negotiations with Mr. Dickins, the management of CFPL Radio reached the decision not to enter into a new agreement with him in 1970. "Mr. Dickins was advised of this decision on October 15, 1969. It was the opinion of the management, of CFPL management, that it would be unwise for John Dickins to continue as host of the open line programme beyond this date.

"Additionally if Mr. Dickins were freed of his responsibilities he could devote more time immediately to his other business interests. Mr. Dickins concurred with this opinion, evidenced by the fact he signed a separation agreement, copied and attached as Appendix B.

"Under this agreement John Dickins received from CFPL on October 16, 1969 a cheque for \$5,520 which represented the total fees to which he would have been entitled had he continued with CFPL until December 31, 1969. CFPL's offer

legal obligation was to provide Mr. Dickins with 30 days' notice.

"Under this severance arrangement, Mr. Dickins agreed not to perform on any competitive broadcasting undertaking until January 1, 1970.

"On October 16, station manager E. M. Knight prepared an announcement regarding the change in the host in the open line show, copy attached as Appendix C.

"The announcement was given to the news department of CFPL Radio and used in an abridged form. Copy of the news item, etcetera, attached.

"A copy of the announcement was also given to the *London Free Press*.

"In our view this was a business agreement which CFPL quite properly felt it did not want to renew. We think this Commission will agree that CFPL Broadcasting, as a licensee, must assume the ultimate responsibility for what it broadcasts on its station. As such the management of CFPL must have the right to decide who performs."

The Chairman: Do you want to comment on that at all, Mr. Brown?

Mr. Brown: Mr. Chairman, essentially that is the story.

The Chairman: Mr. Fortier?

Mr. Fortier: On what date did you appear before the CRTC and give as an example the way CFPL was running and the fact that John Dickins was doing such a good job?

Mr. Brown: Mr. Fortier, that was in March of last year at the time of our CFPL AM licence renewal. I said in our presentation that John Dickins' open line was the cornerstone of our programming, being the opening show of the day, and I meant it, but it could have been somebody else's open line. It wasn't just John Dickins. At that time he happened to be the host of open line. Quite properly I referred to it as John Dickins' Open Line and I was quite sincere and I meant it. It was the cornerstone of our programming day. As it is now, Bill Brady is its host.

Mr. Fortier: As I understand your statement, it appears very clear you had every legal right not to renew Mr. Dickins contract, or rather terminate it upon giving 30 days notice. Do you care to comment on as to what motivated you to take that position, to exer-

cise the rights given to you under Clause 6 or 7, whatever it is, of the agreement?

Mr. Brown: I don't know, Mr. Fortier, whether—I have not been asked by the CRTC why we saw fit to not renew our contract with Mr. Dickins.

Mr. Fortier: This is the Senate Committee on Mass Media, Mr. Chairman. I suggest that whatever the CRTC might decide to ask or not ask is of no concern to this Committee.

I ask that the question be answered.

Mr. Brown: Well, I think the simplest way is—I can say we were not satisfied with Mr. Dickins' performance.

Mr. Fortier: You have read the letter from Mr. Dickins which was published in the *London Free Press* on October 22nd, 1969.

Mr. Brown: I have indeed, sir.

Mr. Fortier: Do you recall the reasons which he gives as being those which motivated the notice which he received?

Mr. Brown: Yes.

Mr. Fortier: Are those true reasons?

The Chairman: So that the Senators and others can follow the discussion, what were the reasons he gave? I am not familiar with them.

If there is a long list you do not need to read them, just highlight them.

Mr. Brown: It seems to me, Mr. Fortier that...

Mr. Fortier:

"Mr. Brown's displeasure was aroused most by my stand on the police rail on 80 Maple Street last August and the jailing of 17 young people, many with money in their pockets, on vagrancy charges. He did not like my speaking of it as a travesty of justice.

"Mr. Blackburn objected most to my out-spoken support for the UWO and Fanshaw students antibomb demonstration at the Sarnia Blue Water Bridge.

"In checking my files now I find many other issues on which I differed with management. The judges' crackdown at Christmas in which they automatically jailed first offenders and petty shoplifters, my disagreement with..."

The Chairman: That would appear to be enough.

Mr. Fortier: No, I think this is important.

The Chairman: All right.

Mr. Fortier:

"My disagreement with the *Free Press* editorials on that subject; my objection to the station accepting what I thought was dubious commercials for a door-to-door carpet company; my expressed respect for Bob Paton, the crusading plumber, who was now about to sue the *Free Press* because they would not print his advertisement.

"Management did not like my comments on the Rice Krispies commercial in which former Health Minister Judy LaMarsh attributed health-giving properties to the product.

"There was an objection four years ago to my stand against the Viet Nam war (which was then supported in the hawkish editorials of the *London Free Press*.)"

Now it appears to me, Mr. Chairman, these are matters which should definitely be commented upon both by Mr. Brown and by Mr. Blackburn.

The Chairman: Those are the reasons which Mr. Dickens gives for saying the contract was terminated and these appear in a letter which was published in the *London Free Press*...

Mr. Fortier: In the *London Free Press* on October 22nd, which I will file.

The Chairman: And which you are familiar with and you are familiar with, Mr. Blackburn?

Mr. Blackburn: Yes.

Senator Prowse: And every reader of the *London Free Press*?

The Chairman: Presumably, yes. Do you want to comment, Mr. Brown?

Mr. Brown: I think if we are going to conduct a trial, Mr. Chairman, Mr. Dickens should be here to protect himself.

The Chairman: I do not think we are conducting a trial.

Senator Prowse: We are getting close to it.

Mr. Brown: First of all, I disagree with everything Mr. Dickens says.

Mr. Fortier: As being untrue?

Mr. Brown: Mr. Dickens has never been told by any official of CFPL Broadcasting or the *London Free Press* what he could say or not say on the air.

Mr. Bremner, who is here in the audience tonight, is the radio editor of CFPL. He has been doing commentaries for some nine years. He is quite prepared to testify at no point in his career has he had any directive from the *London Free Press* or CFPL management as to what he could say or not say.

Mr. Fortier: Mr. Dickens says in his letter in fact more. He says management had asked me to take stands, to express myself, to do a controversial programme.

Mr. Brown: We told Mr. Dickens that he could express his opinions based on facts, not on what he thought or just his views.

Mr. Fortier: You mean that he was to state facts and not give opinions on an open line programme?

Mr. Brown: That is correct. If he wanted to express opinion which was based on fact, that was acceptable.

Mr. Fortier: The Viet Nam war is a fact.

Senator Prowse: He could listen to anybody else's opinion, am I correct?

Mr. Brown: That is what he was supposed to do, sir. He was supposed to act as a moderator to get various opinions phoned in by the community.

Senator Prowse: But not to comment himself? I am just asking a question.

Mr. Brown: We did give him authority last year again to express an opinion based on fact, not just his own personal views that might not be based on anything.

The Chairman: Senator Prowse, I think we should let Mr. Fortier finish with his questioning.

Senator Prowse: I agree.

Mr. Fortier: Did these facts related by Mr. Dickens influence your decision to give him his 30 days' notice, Mr. Brown?

Mr. Brown: I said that we were not satisfied with his performance. We decided not to renew his contract.

Mr. Fortier: Would Mr. Blackburn care to comment with respect to those parts of Mr. Dickens' letter which I read and where he is directly mentioned?

Mr. Blackburn: Just refresh my memory on the one point.

Mr. Fortier:

"Mr. Blackburn objected most to my outspoken support for the UWO and Fanshawe students anti-bomb demonstrations at the Sarnia Blue Water Bridge."

Mr. Blackburn: Yes.

Mr. Fortier:

"My disagreement with the Free Press editorials on this subject and the Judges' crackdown of last Christmas..."

Mr. Blackburn: As I recall it is just the one point to which he was referring insofar as I am concerned.

Mr. Fortier:

"The concern for Bob Paton and the objection to my stand in the Viet Nam War which was then supported in the hawkish editorials of the London Free Press."

Mr. Blackburn: Mr. Dickins was not referring to me in that context of anything but the university demonstration at the Sarnia Blue Water Bridge and I might explain that, Mr. Fortier.

Following his having received advice that his contract was not going to be renewed, Mr. Dickins requested to see me and I agreed to see him at once. Mr. Dickins said that he was surprised that over the period of time during which he had had the authority to make editorial comments, or whatever you wish to call them, as described by Mr. Brown, that he had at no time received a directive from me.

That is not on the record. That was not placed on the record by Mr. Dickins. However, it is true and I place it on the record.

In discussing the Sarnia Blue Water Bridge incident I merely said to Mr. Dickins that I, Blackburn, could not have brought myself to playing a part in organizing the demonstration. I felt that Mr. Dickins had in fact played a part in organizing it, using his programme on CFPL Radio to do this.

I could not have brought myself to do it because it was a demonstration which the leader of it in advance had said would involve the blocking of a public highway.

Therefore, it was a demonstration which was planned to break the law and, in fact did; and I could not have brought myself to encouraging students or anybody else to break the law. I told him this in that way. I did not criticize him directly as such for having done it.

Mr. Fortier: Simply put, Mr. Blackburn—and I ask this question on behalf of the Committee—did the fact that Mr. Dickins expressed opinions which ran contrary to opinions which had been expressed in editorials in the *London Free Press*, influence your decision, the decision which was taken not to renew his contract?

Mr. Blackburn: I think Mr. Brown would have to answer that because I had nothing to do with the decision.

Mr. Fortier: I think that is very important. You had nothing to do with the decision?

Mr. Blackburn: Nothing whatsoever.

Mr. Brown: I can add, Mr. Blackburn was not aware of the situation with Mr. Dickins until the fait accompli. His contract was not renewed.

Mr. Fortier: It is very important to put that on the record. Would you care to answer the question which I put to Mr. Blackburn and which he then put to you?

Mr. Brown: Would you repeat the question.

Mr. Fortier: Whether the fact that certain opinions expressed by Mr. Dickins on his open line programme ran contrary to editorials published in the *London Free Press*. Was this one of the factors which was instrumental in your reaching the decision to give him his 30 days' notice?

Mr. Brown: Absolutely no. I repeat: Mr. Bremner, our radio editor, constantly does commentaries and editorials which are in conflict with what the newspaper says he does and we are quite happy that he does so. It has never been suggested he should change and the thing applied to Mr. Dickins.

Mr. Fortier: This has often happened, that there has been editorials aired over the radio station which ran contrary to what had been said earlier in the *London Free Press*?

Mr. Brown: That is correct, sir.

Mr. Fortier: This letter from Mr. Dickins, published in your October 22nd issue of the

London Free Press, has an editor's note to it which I will read.

"As with all letters to the editor, this one has been edited to conform with the newspaper's standing policy requiring letters to be brief and to avoid possible libel."

My first question—maybe this should be directed to Mr. Heine—is: do you have a similar note at the bottom of every letter to the editor?

Mr. Heine: We carry that note or something like it fairly often. Mr. Honey? Once a week or thereabouts?

Mr. Honey: Yes.

Mr. Heine: Once or twice a week in a little italic box that says just that in effect.

Mr. Fortier: Is there any particular reason in this instance this note was appended to the letter?

Mr. Heine: I think it is self evident. Mr. Dickens was casting rather—using rather strong language about the newspaper. It seemed to me on reading the letter it was unduly long rambling, had many aspects to it, deserved tidying up and pruning and yet we had a responsibility to carry a charge by such a person in such circumstances in this newspaper and we did.

In order to be fair, so that the public would not think that we had in fact run the entire letter, I decided to put a little note on so that it was quite clear we had altered the letter, edited it as we would any letter and I exercised normal editorial judgment in doing so.

Mr. Fortier: You edited that letter as to size?

Mr. Heine: Oh yes. It was six closely written, typewritten pages.

Mr. Fortier: You edited it as to libel?

Mr. Heine: Yes.

Mr. Fortier: Libel from whose point of view?

Mr. Heine: Probably Walter Blackburn's.

Mr. Fortier: Was your editing...

Mr. Blackburn: Pardon me just a moment, may I speak to that, Mr. Chairman?

The Chairman: Yes.

Mr. Blackburn: Our solicitor advised us that certain parts of the letter were, in his opinion, libelous and that they libelled both the *London Free Press* corporately and Walter J. Blackburn personally. As we would have handled any other letter, the libelous portions were removed on our solicitor's advice.

Senator Prowse: Not to save you a libel action?

Mr. Blackburn: No. I was the one who was libelled and the *London Free Press* in our solicitor's opinion.

Senator Prowse: If it had been said about anybody else you would have been subject, in your solicitor's opinion they could have sued you for publishing it?

Mr. Blackburn: Yes, in our solicitor's opinion.

Senator Prowse: But you were not clearly going to sue yourself. You would have had both legal fees and you would not be anything.

Mr. Blackburn: It was a very interesting case in fact which I had never experienced before. Our solicitor also advised us that we were to publish the libel, we would have no case against Mr. Dickens.

Senator Prowse: Yes.

Mr. Blackburn: And I was personally unwilling to forego my right to sue Mr. Dickens. I decided later that neither the company nor Walter Blackburn personally should engage in such a lawsuit. I think the reasons are obvious but I was at the point initially was certainly unprepared to give up my rights or the rights of the company.

Mr. Carradine: May I say one thing? I find it is fairly pertinent to this discussion. When the letter came in to Mr. Heine, the editor, brought it to me. We advised Mr. Blackburn that we had received a letter from Mr. Dickens and Mr. Blackburn's reply was that he did not wish to see the letter, that the newspaper would handle this just as any other letter to the editor.

I think that should be on the record in defence—not his defence—but I think it is a matter of interest to the Committee.

Senator Prowse: May I say something, Mr. Chairman, just to clear up one thing. I asked a question and I made a comment because

didn't understand it all, which could imply that the paper had used the law of libel that they normally would use to protect themselves from suit, in order to protect themselves from accusation. After hearing Mr. Blackburn's explanation I understand that this was used in order to protect his right to take action against the writer of the letter. I think that should be clear because...

The Chairman: I think that is what he said.

Senator Prowse: I do not want my previous statement to leave an improper implication.

Mr. Blackburn: Yes. It is a very interesting case. A newspaper apparently, and I had not run into this before in my full experience, cannot be a party to libelling itself without losing its right to sue.

Senator Prowse: You are repeating the libel and becoming a party.

Mr. Fortier: I am sure your solicitors must have wrung their hands in swift glee and said "ah jurisprudence".

Mr. Heine: If I may continue the facetious note...

The Chairman: That is not being facetious.

Mr. Heine: No, but the facetious note was a suck. If we had published it I would have been in the position as editor of having been sued by my publisher.

Mr. Fortier: You could not have claimed you had not seen the letter.

Mr. Heine: No. I would have been in the position of having made an error in allowing the libel to run.

Mr. Fortier: Were any facts edited from the letter?

Mr. Heine: To the best of my professional ability I removed those elements that were described in the footnote, the excess verbiage, that did not have much meaning, the libelous elements and the remainder to the best of my ability is an honest editing job on a series of charges, all of which are reflected in the letter. I may have erred. I do not think so.

Mr. Fortier: The aftermath of this incident, Mr. Blackburn, does it lead you to conclude now that a person who owns a newspaper in a community should not also own another media of information?

Mr. Blackburn: Mr. Fortier, my answer is "No". It does not. I might say one thing—at least one more thing. Mr. Dickins' accusations in this matter, the allegations, were in fact carried by CKSL Radio and were published in the University Gazette in part, the really important allegations and in a magazine called *Twenty Cent Magazine* which is distributed in the city and so the part of it which we were unable to publish for the reasons I have given, or parts, were published elsewhere, which would indicate there are other media voices in the community and I might have also sued them for libel had I chosen to do so.

The Chairman: It is almost 10 o'clock and I would ask if any Senators have any additional questions that they organize themselves and ask them immediately as I have assured our friends from London we would adjourn at 10 o'clock and I am going to try and adjourn.

Mr. Blackburn: We are prepared to stay.

The Chairman: We appreciate that and we are grateful. I think the Senators should organize themselves for their final questions.

Senator McElman?

Senator McElman: There is a fairly common practice when letters are edited that dots and periods, a series of periods and other markings are put in at those points where it has been edited. Is that practice ever followed in your newspaper?

Mr. Heine: No sir. You have asked us several times not to answer with a "No". I have heard your hearings. Our practice with letters is to try to preserve the honest intent of the writer.

Senator McElman: I am not questioning this.

Mr. Heine: Yes you are.

Senator McElman: No I am not.

Mr. Heine: We do not use dots to show what was taken out because some of the letters come in, in such a poorly written fashion that there would be more dots than there would be context, honestly. So, we run all letters except from the chronics who write regularly. We write and tell them we are sorry. We will just run one a month or something.

Senator McElman: I have heard the suggestion in this instance the result of the editing

would have wound up with perhaps as many dots as there was copy.

Mr. Heine: Yes. That happens sometimes.

Senator McElman: In this particular case.

Mr. Heine: Oh, goodness no.

Senator McElman: It was indicated to me this was the case.

Mr. Heine: I would not say that was a fair comment, sir. I am sorry. I misunderstood the entire intent of your question.

Mr. Blackburn: Mr. Chairman, whereas I do not want to prolong the Dickins case, there is one more item of information which should go on the record. Mr. Brown mentioned that Mr. Knight had made an announcement with respect to Mr. Dickins. That announcement was published in the *London Free Press* on page 3—on page 2, I believe it was.

Mr. Honey: Page 1.

Mr. Carradine: October 16th was the first announcement.

Mr. Blackburn: Mr. Dickins was a fairly prominent London person. Then following Mr. Dickins stating on CKSL Radio he had been fired, our editorial department followed that story up and interviewed Mr. Dickins and the result of the interview was also published.

Mr. Fortier: On page 3, October 17th.

Mr. Carradine: That is correct. I would like to add a little more to that, if I may because I think it is important.

On October 16 when it came to the attention of our news department that Mr. Dickins was leaving CFPL, we attempted to contact him—our news department did. They were unable to reach him after several attempts. They phoned Mr. Knight of the radio station who gave them a statement. As we were close to deadline that is what ran on October 16th on page 1.

On the morning of October 17th when Mr. Dickins went on the radio station and made his statement, our news department again contacted Mr. Dickins and asked him to make a statement, which he did and then as is customary, and as is our policy, we then went back to Mr. Knight and asked him to make a further statement so that we would have both sides of the story and that is what ran on

page 3 in the afternoon edition on October 17th.

Mr. Heine: One further final observation. A publication on page 3 of the *London Free Press* is not a form of secrecy.

The Chairman: Senator McElman, have you any further questions?

Senator McElman: Yes. Your newspaper, or your organization does a lot of research and in that research I should imagine there is a measurement of your circulation readership. Would that break down into age groupings perhaps—to tell you whether you are relevant to the youth of today?

Mr. Carradine: We ran a study last summer, Senator, which was quite an extensive study at that time unfortunately we only broke it down under 35 and 35 and over, so it is very difficult to read off from that any information as to the reading habits of young people, which is possibly, I believe, the question you are asking.

Senator McElman: Following on that, can you give us any instance of specific changes in your approach to meet the change in moral values or the challenge of moral values by the youth of today.

Mr. Carradine: I am sure we can. Perhaps Mr. Williams or Mr. Heine would care to talk to that.

Mr. Williams: Senator, we try to constantly be aware of what is going on in our community. We have been able to devote staff from time to time to in-depth studies which we are able to publish and in some instances in special sections.

We have what we call a Saturday Feature Section in which we have changed the emphasis from the routine into a special supplement. I recall one that we did last October on drugs where young people lived for several days with people who were taking drugs. It was a September issue.

We researched it thoroughly. We went to the Addiction Foundation, through the medical research and the kids who were living in this sub culture. We thought this was of importance to young readers.

We are continuing doing this sort of work where we see the lead from the news that indicates a social problem we try and do it.

We are currently running one on the challenge of Canadian Indians. Now this is not

particularly new but one of our writers spent some months and this is the sort of thing we are looking and continuing and trying to do in advance of problems.

'Drugs is one of them. We have done a great deal of work with the pill. One of our writers won an award about three years ago for work on abortion stories.

Young readers are not only interested in that might be—the teenagers—they are young adults really. I really think we are doing this work but we do not label it this is the interest of teenagers or young people.

Senator McElman: No.

Mr. Blackburn: One of our reporters, I might say, Senator McElman, purchased some marijuana in the community. We were rather concerned about it because it ended up in the office and we didn't know what to do with it. I was breaking the law but we made..

Senator Prowse: What did you do?

Mr. Blackburn: We turned it over to the mounted police as quickly as we could.

In this manner we prove marijuana was available in the community for purchase.

Mr. Heine: To supplement Mr. Blackburn's comment, this was some time ago at a time when it was not commonly known there was marijuana in the community as it is generally known today. There were some very snarky questions asked.

Senator McElman: Mr. Blackburn, you have heard me ask other witnesses about the theory of the protection of sources of information in criminal cases and the proposition that this should be provided for in the law. Could I have your reaction as to whether you believe it should continue under the present system whereby the court makes that decision or whether journalists should have such protection in law?

Mr. Blackburn: I think that our responsibility, Senator McElman, is to support our system of justice and I think that it probably has to be left up to the decision of the reporter involved as to whether or not he chooses or chooses not to disclose his sources; and I would be unable to advise him one way or the other if he were to ask me.

I do not think that it is wise for the law to provide to a newspaper or to a reporter of a newspaper any privilege that is different from that provided to any citizen.

In my judgment we do not wish any special privileges; but having said that, I must say that I am very sympathetic with the reporter who refuses to disclose his or her source of information and having decided that the disclosure should not be made, he or she may in fact be found in contempt of court and go to jail on the issue.

I am very sympathetic with the reporter in that position, I must say. It is the reporter that is going to jail and not the publisher.

Senator McElman: You have no corporate policy in this respect?

Mr. Blackburn: No.

Senator McElman: You mentioned several times in the brief the theory or premise that newspapers are hired by the public to obtain and report news and information. What is the basis for this hiring aspect?

Mr. Blackburn: It is a philosophical view we hold, Senator McElman. We feel when the subscriber purchases a newspaper he is purchasing a service and expects us to provide that service; and he is in that manner and in this concept employing us as his agent to be present where he is unable to be present in person. And we report to him the occurrences which we are able to report.

I suppose it is in a way a philosophical concept. I suppose to put it another way, one might say, in return for his trust in us—spending his money to buy the newspaper—we endeavour to fulfill that trust.

Senator McElman: I just have not heard this put forward before and I was wondering what the foundation was.

Mr. Blackburn: Well, it is just a philosophical concept.

Senator McElman: The Canadian Code of Advertising Standards—you have introduced this in your brief. Have you published that in your newspaper?

Mr. Carradine: Yes, sir, it has been.

Mr. Heine: From time to time.

Senator McElman: At what approximate time?

Mr. Heine: Well, it would appear on our classified pages, I would say, probably once a week. Right at the present time we are working with the Canadian Advertising Advisory Board. They have supplied us with a series of

advertisements which we will be publishing and they could be published this week.

Senator McElman: There is lots of opportunity for the public to compare your performance with the code that you support?

Mr. Heine: Absolutely.

Senator McElman: There was a reference made as well which had to do with the publishing of the names of the owners. You supported the principle and then you seemed to back away from it out of concern or fear, of a multiplicity of crank phone calls and perhaps the fear of mayhem to your own person or to your family. I think you used terminology something like this: "In this violent society"—or "The nature of these violent times".

Mr. Blackburn: Yes, words to that effect.

Senator McElman: Do you really believe this to be a fact?

Mr. Blackburn: We have had, Senator McElman, in the last five years three bomb threats at the *London Free Press* and I learned of only one the other day. My staff did not tell me. On the first one we evacuated the building. The second one I said we would not and the third one we evacuated only part of the building. I receive telephone calls from time to time personally. The last one I received was at 2 o'clock in the morning. Mr. Carradine has received crank telephone calls. This is not unusual. Whereas I am quite prepared to receive them myself, I would be quite prepared to identify myself in person on the masthead of the newspaper as the President and Publisher and accept the consequences, if any, of drawing attention to a name which some crank might choose to take some action against, I would not wish to publish the names of my staff and subject them to the same possibility.

I do not feel that there is anything in London that is any different from any other community.

This is not, in my judgment, related to London per se.

I mentioned in my brief the experience of Mayor Drapeau in Montreal. It is possibly a different situation but one worries a bit about this.

Senator McElman: There is indicated in this that you perhaps feel that the holder of what is often referred to as a public trust, should perhaps be better or more insulated in this respect than the holder of public office.

Mr. Carradine: I do not believe we said that, Senator.

Senator McElman: No, I did not say you had said it. I said it was indicated.

Mr. Blackburn: Another thing I would like to say—possibly I should not—but it is a factor in this.

Five young women have been murdered in and around London in the last while—about five years. We have offered a reward for information which leads to the apprehension and conviction of the murderer. The City Council, after we offered our reward, voted a much larger reward; in that case \$10,000. Our offer was \$1,000, and we organized a system by means of which a person could provide the information with respect to the murderer without identifying himself and we did this on our own decision and the murderer knows it, no doubt.

Mr. Heine: To amplify on the answer Mr. Blackburn made, there are two people, one associated with the intense hatreds of the Middle East and another associated with the strong views of people who hold political views on the right hand side of the political spectrum, who come to my office regularly and I say in all seriousness that I am very careful to keep myself between them and the door.

The crank calls are common to all of us.

The Chairman: It sounds like public life

Mr. Heine: It is. We are aware of it.

Senator Prowse: I was going to say we have lost a couple of Presidents but I have not heard of us losing a city editor yet.

Mr. Heine: They used to horse whip them.

Senator McElman: I have one further question only.

The Chairman: All right.

Senator McElman: Your studies indicate that you, holding newspapers, radio and television interests, looking to the future perhaps your CATV interests might be not only highly useful in the future but also highly profitable; and yet I believe it is indicated that you are endeavouring to dispose of the cable interests.

Mr. Blackburn: Yes, Senator McElman. We have a 50 per cent interest in Chatham Cab

TV which we have sold to Jarmain Cable System Limited.

We have no other cable interests. We went into the Chatham Cable Television with Mr. Jarmain and Famous Players initially in order to extend coverage of CFPL Television to Chatham, because up until that time—and this was before the CRTC had any jurisdiction over cable—we could not assure ourselves of being on any cable system unless we had some voice in ownership and we were interested in Chatham and in Sarnia.

So our purpose, more than an investment, was to assure ourselves of being on the cable. That assurance is provided now by the CRTC and it is no longer required that we have a voice in the system.

Senator McElman: And it has no bearing on any principle that might be involved as to the extension of the multi-media ownership aspect of things?

Mr. Blackburn: No. Not with respect to Chatham, but—we are quite aware it is unlikely—we would be prepared to have an interest in a cable system in London.

Senator McElman: You did not have any other cable interests prior to that which you have disposed of?

Mr. Blackburn: No.

Senator McElman: That is the only one?

Mr. Blackburn: That is the only one.

Senator McElman: Fine, thank you very much.

Mr. Blackburn: I think in fact you may be interested in this. In the early 1950's we were offered an interest in one of the cable systems in London and concluded that it would not be proper for us to be involved in it because at that time cables were bringing American programming into Canada which was, we thought, contrary to the public interest and we did not feel as Canadian Broadcasters we should be involved in this.

I was surprised in fact that the Government, in the light of what has been said in the various Royal Commission reports, permitted it to be done. However, it seems at that time, if I have had, in its opinion, no control or did not wish to exercise what control it might have had.

Senator Everett: What percentage of Jarmain do you hold now?

Mr. Blackburn: We own nothing of Jarmain. We own 50% of Chatham Cable Television until the sale is approved by the Canadian Radio and Television Commission. It is before a hearing...

Mr. Brown: February 10th.

Mr. Blackburn: February 10th the application for transfer.

Senator Everett: It does not involve a stock transfer to you.

Mr. Blackburn: No. We own 50% of Chatham Cable Television.

Senator Everett: But the sale of it does not involve a stock transfer to you of Jarmain stock?

Mr. Blackburn: No, it involves cash.

Senator Everett: Does CFPL Broadcasting Limited own anything more than CFPL-TV and radio?

Mr. Blackburn: No. It has no other interests.

Senator Everett: Does London Free Press Limited own anything other than the *London Free Press*?

Mr. Blackburn: No equity investment as I have mentioned this morning, Senator Everett. We have some non-equity investments, mainly in short-term bank notes.

Senator Everett: Do you have a separate printing company?

Mr. Blackburn: No.

The Chairman: Do you have any more questions, Senator Everett?

Senator Everett: No.

The Chairman: I gather that Mr. Fortier promises me he has only one question and on that basis we will hear it.

Mr. Fortier: In reviewing my notes, Mr. Chairman, I found one which I had taken this morning from your presentation and it surprised me at the time and it still does now as I read it.

You said you avoided, as much as possible, editorializing on situations in the Province of Quebec so as to be told—and I quote—"It is none of your business". Did you say that this morning?

Mr. Blackburn: No sir.

Mr. Fortier: What did you say, Mr. Blackburn?

Mr. Blackburn: Because I felt that certain situations in the Province of Quebec are probably none of the business of English-speaking Canadians.

Mr. Fortier: Such as what?

Mr. Blackburn: Whether or not newspapers—I was thinking of the Press Council to a degree. I would not wish to recommend to this Committee a national press council, as I said.

Mr. Fortier: Oh, I see.

Mr. Blackburn: Because I would be then asking you to suggest that there should be a Press Council for the Province of Quebec—I think I mentioned there was already one being organized—but the newspapermen in the Province of Quebec might not wish a National Press Council and this is their business, not mine.

Mr. Fortier: I am glad you added this because I was not the only one who understood you to mean you did not comment editorially on, say, political events in Quebec thus abdicationing what I think is a very important responsibility.

Mr. Blackburn: No, we do that.

Mr. Fortier: I am glad you added that and I am glad that I asked the question because Mr. Spears and I both thought this morning that you had said that.

Mr. Heine: We comment vigorously concerning matters in Quebec vis-a-vis the rest of Canada.

Mr. Fortier: And the rest of Canada vis-à-vis Quebec?

Mr. Heine: Exactly. We have tried with good conscience to understand the problems that exist in national unity in this country and to do anything we can to encourage the bridging of whatever gap exists.

Mr. Fortier: And I would have been very surprised if it had been otherwise.

Mr. Heine: We work at it very hard.

Mr. Blackburn: We have felt that the Province of Ontario has probably held the main responsibility for playing a part in this matter of national unity because we are closer neighbours to the Province of Quebec and possibly understand the situation better than the others; we accept this responsibility very actively.

Mr. Fortier: Merci beaucoup.

Mr. Blackburn: Merci.

Mr. Heine: Mr. Blackburn fortunately you have a New Brunswicker to assist you in that.

The Chairman: Mr. Blackburn, on behalf of the Committee I would like to begin by thanking you and perhaps by apologizing to Mr. Carradine because he missed a birthday party tonight. He may be home in time for a anniversary party tomorrow.

We apologize to the other members of your party that you asked to stay because I quite appreciate they may have had plans, personally or otherwise. We are grateful that you were willing to stay this evening. I would say to you personally, Mr. Blackburn, since the beginning of these hearings you have displayed a keen interest in what we are trying to do and I hope that interest will remain now that your formal press hearings at least are complete.

Mr. Blackburn: Indeed it will.

The Chairman: Now, Honourable Senators, it has been a very full day and I think I can say on your behalf we are particularly appreciate of Mr. Blackburn and his group for being as frank and as fair as they have been. We particularly appreciate that.

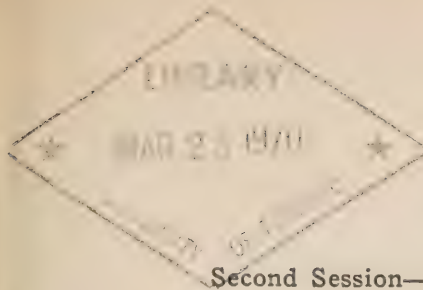
I would mention to the Senators the schedule for the balance of the week. Friday we have only one session. Please note it is 11:30 and not 10 o'clock as listed on the schedule.

Tomorrow morning at 10 a.m. we have the F.P. Publications. At 2:30 the *Winnipeg Free Press*, at 3:30 the *Ottawa Journal* and 4:30 the *Globe and Mail*.

Tomorrow evening at 8 o'clock we receive the brief of the Canadian Labour Congress.

The meeting is adjourned.

The Committee adjourned.



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 11

THURSDAY, JANUARY 22, 1970

WITNESSES:

- F. P. Publications Limited:* Mr. R. S. Malone, President; Mr. Bruce Laking, Secretary.
- The Winnipeg Free Press:* Mr. Peter McLintock, Executive Editor.
- The Ottawa Journal:* Mr. I. Norman Smith, President and Editor; Mr. L. A. Lalonde, Vice-President and General Manager; Mr. W. Metcalfe, Managing Editor.
- The Globe and Mail:* Mr. James L. Cooper, President and Publisher; Mr. Richard J. Doyle, Editor; Mr. Earle Blake Richards, Director, Vice-President and General Manager; Mr. George Bain, Associate Editor.
- Canadian Labour Congress:* Mr. Donald MacDonald, President; Mr. Jack Williams, Director, Public Relations; Mr. Andy Andras, Director of Legislation and Government Employees; Mr. Joe Morris, Executive Vice-President; Mr. Gordon McCaffrey, Assistant Director, Legislation Department; Mr. Frank Chafe, Assistant to Director of Legislation and Government Employees Department; Mr. Charles Bauer, Assistant Director, Public Relations; Mr. M. Cotterill, Publicity Director for Canada, *United Steelworkers of America*; Mr. Francis Eady, Assistant to the President, *Canadian Union of Public Employees*; Mr. Norman Simon, Director, Public Relations, *Canadian Union of Public Employees*; Mr. Robert Bouchard, Staff Representative, *National Association of Broadcast Employees and Technicians*; Mr. Robert J. Rupert, International Representative, *American Newspaper Guild*.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien
Belisle
Bourque
Davey
Everett

Hays
Langlois
Macdonald (*Cape Breton*)
McElman
Petten

Phillips (*Prince*)
Prowse
Smith
Sparrow
Willis

(15 members)
Quorum 5

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

With leave of the Senate,
The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,
The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Thursday, January 22, 1970.

(11)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, *Chairman*; Beaubien, Everett, McElman, Petten, Prowse and Sparrow. (7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witness, representing *F. P. Publications Limited*, was heard:
Mr. R. S. Malone, President.

The following were also present but were not heard:

Mr. Bruce Laking, Secretary, *F. P. Publications Limited*;

Mr. Peter McLintock, Executive Editor, *Winnipeg Free Press*.

At 1.00 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; Beaubien, Everett, McElman, Petten, Phillips (*Prince*), Prowse and Sparrow. (8)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. R. S. Malone, President, *F. P. Publications Limited*;

Mr. I. Norman Smith, President and Editor, *The Ottawa Journal*;

Mr. James L. Cooper, President and Publisher, *The Globe and Mail*;

Mr. Richard J. Doyle, Editor, *The Globe and Mail*.

The following were also present but were not heard:

Mr. L. A. Lalonde, Vice-President and General Manager, *The Ottawa Journal*;

Mr. W. Metcalfe, Managing Editor, *The Ottawa Journal*;

Mr. Earle Blake Richards, Director, Vice-President and General Manager, *The Globe and Mail*;

Mr. George Bain, Associate Editor, *The Globe and Mail*.

At 6.15 p.m. the Committee moved to Room 256-S to view a fifteen minute film presented by the *Globe and Mail*.

At 6.30 p.m. the Committee adjourned to 8.20 p.m.

At 8.20 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, *Chairman*; McElman, Petten, Phillips (*Prince*) and Prowse. (5)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

- Mr. Donald MacDonald, President, Canadian Labour Congress;
- Mr. Jack Williams, Director, Public Relations, Canadian Labour Congress;
- Mr. M. Cotterill, Publicity Director for Canada, United Steelworkers of America;
- Mr. Francis Eady, Assistant to the President, Canadian Union of Public Employees;
- Mr. Andy Andras, Director of Legislation and Government Employees, Canadian Labour Congress;
- Mr. Joe Morris, Executive Vice-President, Canadian Labour Congress;
- Mr. Robert Bouchard, Staff Representative, National Association of Broadcast Employees and Technicians;
- Mr. Norman Simon, Director, Public Relations, Canadian Union of Public Employees;
- Mr. Gordon McCaffrey, Assistant Director of Legislation Department, Canadian Labour Congress;
- Mr. Robert J. Rupert, International Representative, American Newspaper Guild;
- Mr. Frank Chafe, Assistant to Director of Legislation and Government Employees Department, Canadian Labour Congress;
- Mr. Charles Bauer, Assistant Director of Public Relations, Canadian Labour Congress.

At 11.00 p.m. the Committee adjourned to Friday, January 23, 1970, at 11.30 a.m.

ATTEST.

Denis Bouffard,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA EVIDENCE

Ottawa, Thursday, January 22, 1970.

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (*Chairman*) in the Chair.

The Chairman: Honourable Senators, today we are going to receive a brief from FP Publications Limited, and then later on today presentations and briefs from several FP Publications.

Seated on my immediate right is Mr. R. S. Malone, who is the President of FP Publications Limited. Mr. Malone, as I am sure you know, is also the publisher and editor-in-chief of the *Winnipeg Free Press*.

Sitting on his immediate right is Mr. Bruce Iking, who is the Secretary of FP Publications Limited.

On my immediate left is Mr. Peter McLintock, the executive editor of the *Winnipeg Free Press*.

This morning we will be receiving a brief from Mr. Malone on behalf of FP Publications. But also, as you know if you have studied his brief, this is a brief from the *Winnipeg Free Press*.

Mr. Malone, the brief which you were kind enough to send three weeks in advance, as we requested, has been read and circulated to the Senators. It has presumably been studied by them. I am going to call on you now to make an oral statement, which I suggest should take no longer than about 15 minutes.

Following that oral statement you will be questioned by the Senators on the content of your brief, on your oral statement, and indeed on any other things which may be on their minds.

I am at a loss to give you guidance as to whether or not this morning we will deal specifically with the Free Press. I am afraid we will have to play that just a little bit by ear.

As I understand, there will not be an oral statement on behalf of the Free Press this

afternoon. You are going to deal with that now.

There will presumably this afternoon, however, be oral statements from representatives of the *Ottawa Journal* and the *Globe and Mail*.

Mr. Malone.

Mr. Richard Sankey Malone, General Manager and President of FP Publications Limited and Publisher and Editor in Chief of the Winnipeg Free Press: Thank you, Mr. Chairman.

Mr. Chairman and gentlemen, as your Chairman has mentioned, you had the brief, and no doubt are fully acquainted with it. But I would like to add a few words, if I might. I won't take up your time by repeating material that is already in the brief.

I have with me here today, as your Chairman said, representatives from the *Globe and Mail* and also the *Ottawa Journal*. They will be speaking to their respective briefs later this afternoon.

In our central brief, which we are dealing with this morning, I have touched on FP Publications as a group. I have also attempted to outline some of the factors respecting *The Free Press* in particular.

You will have noted that I have attempted to outline the organization or composition of our group, its ownership and how it came into being. I have also touched on something of our philosophy and the responsibilities of newspaper publishing as we see it.

Also for the benefit of the committee I have taken the liberty of quoting at some length some of the excellent statements by such authorities as Lord Francis Williams, Lord Shawcross, Clifton Daniels, Lord Devlin, Sir Geoffrey Cox and Chief Justice Bell of Pennsylvania and many others which typify what we believe in in the publishing business.

I have also touched briefly on some of the press enquiries in Britain in recent years. Then, in accordance with your Chairman's suggestion, I have at the end of our brief attempted to summarize some eight specific

areas or suggestions to which I feel your committee might constructively direct your thinking.

I might say in this hearing our thought and hope is to be helpful and constructive. If we can add anything to your thinking, any of our people will be very glad to co-operate.

I have in my brief attempted to review some of the advantages and disadvantages of group development and our important policy of maintaining the separate and distinct characters of our individual papers and also their high degree of editorial freedom—and where editors are free to pursue independent and often diametrically opposed editorial points of view as in keeping with their honestly held convictions.

Since the preparation of my brief and in following your agenda and proceedings from day to day, it seems to me there are two very important areas of publishing which may not yet have been brought to your attention. I should like to touch on them briefly now.

The first is the critical—or I should say disastrous outlook now facing the agricultural or farm newspapers of Canada today. The great mortalities in farm papers seem to be completely ignored across Canada. Yet there are now only three farm papers of any size or national character left in all of Canada—and they are now all facing economic problems largely due to government actions.

By that I mean the discriminatory increase in postal rates of from 175% to 400% ordered by the Postal Department and the multimillion dollar government subsidy granted each year to their chief advertising competitor—the broadcast industry.

I was surprised to learn that none of the larger or general farm papers is to appear before you, according to the schedule I have seen so far—and I did not realize this until after my brief was written—although these papers are of vital national importance and are read by hundreds of thousands of people in rural areas all across Canada.

While I have not come specifically prepared to speak on this subject, we do publish Canada's largest farm weekly—and if it would be of help I would welcome an opportunity to enlarge on this subject for you and try to outline the situation further should your members care to raise it during the question period.

I would also like to direct the members' attention to paragraph 84 of my brief and

appendix C—where I have touched on this matter of farm papers very briefly. I have a few statistics in my case here which may be helpful later.

The other area of concern is that of mechanical unions in the publishing field. Indications so far are that your committee may not be exploring this very critical area in any great depth.

This subject, I think as some of you are aware, is very complex and is perhaps the most urgent matter facing most newspapers today both in the United Kingdom, United States and Canada. Indeed a very large portion of the various press inquiries in England were devoted to this aspect of our business.

There have been three major press inquiries in England in the past ten years. And this took up a great deal of their time and study.

To give you some idea of the scope of the after the British studies they projected a special task force put out by the Economist Intelligence unit. And they did a study. And here it is. It will give you some idea of the scope of this aspect of the business. They went into very thoroughly.

I don't know whether your members are aware of this, but I would be glad to turn over, if it is of any value. There are tremendous statistics. Thank you.

The Chairman: We would be most grateful. Thank you.

Mr. Malone: I would suggest that many of the factors there, while they are somewhat different in Canadian terms—they deal in different terminology and that sort of thing—many of the factors there are applicable to our industry here in Canada just as they are in Britain. And it is a matter of serious concern. And I hope your members will have an opportunity of seeing something of that major aspect of the British studies.

I refer principally to such matters as "feather-bedding", "bogus" or "dead horse" settling, excessive manning on equipment, union positions regarding the introduction of new equipment and new technology, and so on.

I assume you are aware of union regulations which require newspapers to re-set type, proof, correct and then throw it away in the wastepaper basket—as it covers matters which may have already appeared in the paper weeks or even months previously.

And you must know of the local advertiser who wishes the identical advertisement to appear in both local newspapers on the same day in the same town—but the advertisement has to be set twice.

These are things that, I think, in the economy of newspapers we have got to give consideration to—how long can we go on in wasteful practices of this nature. But these are things I think your Committee, Mr. Chairman, might be interested in looking into.

I think you perhaps have noted over the years the mortality of newspapers. More often than not in such cases the argument has been that union practices have contributed to the end of many large papers. This was true in New York just a matter of a year or so ago.

I have only touched on that very briefly in my brief. It is a very involved subject. I doubt we could cover it in any depth here. Nor do I think we are qualified to do it in detail. It arises right across the country.

But I just draw your attention to it as something you might have a study on.

As to future trends in the newspaper field, I could direct your attention particularly to page 48 of my brief touching on the matter of agency operations. In addition, might I draw your attention to pages 54 and 55 of my brief where I have quoted Lord Francis Williams on the subject of group operations and a very flattering comment that the formation pattern developed by FP Publications has addressed both journalistic quality and political and economic independence—which he regards as an “important turn” in the newspaper field.

In this quotation on page 55, I would make a minor correction in the matter of dates. I am afraid there is a typographical error.

The Chairman: Are there extra copies available of this?

Mr. Malone: There are extra copies available on that.

The date given for *The Globe and Mail* joining the FP group is shown as 1968. This should read 1965. It is shown correctly elsewhere in the brief.

In this matter of editorial quality, might I also direct your attention to paragraph 31 of the brief, recording our recent distinction in Professor Merrill's new book “*The Elite Press*.”

In this, two of our papers, *The Winnipeg Free Press* and *The Globe and Mail*, were selected as the two Canadian papers rated among the top 40 newspapers in the entire world.

However, I don't wish to imply by anything contained in my brief or anything I may have said, that we are entirely happy with our operations or that we do not have worries and concerns about the future. We are continuously concerned with the quality of our papers and our service to the public.

We are concerned lest we should ever develop permissive reporting in our present permissive society. We are concerned with the growing dependence on advertising revenue as against circulation revenue. Today the stability of many papers could be very vulnerable if advertising revenues dropped 15 or 20 per cent.

I would certainly endorse Lord Thomson's view that the only way to have an independent and free press in Canada is to have the press financially independent.

In following your proceedings here, it seems to me there is a point of some possible confusion that I might be able to clear up. This is in respect to the numbers of news bureaus and correspondents the various papers have. This is often misleading.

Let me give you an example. While our group have permanent staff correspondents in Ottawa, Washington, London, Quebec and China, each of our papers also have countless part time “stringers” and contributors located all over the world.

For instance, the *Free Press*, quite apart from the Regular correspondents, I have mentioned, also has qualified regular contributors such as:

David Exel in Singapore.

Gavin Gordon in Brussels.

Normal Macrae and Alan Harvey in London.

Richard Mowrer in Madrid.

Leo Ryan in Paris.

Bob Reford at United Nations.

B.C. Nag in New Delhi.

Anthony Reynolds in Bombay.

Stuart Griffin and Mike Holmes in Tokyo.

R. L. Curthoys in Melbourne.

Cyril Wiss in Rome.

Ian Vorres in Athens.

Marcelle Poirier in Hong Kong, and so on.

This is in addition to all the foreign correspondents supplied through such services as *The Observer* in London, *The Washington Post*, *The Los Angeles Times*, *The Economist* and *The Manchester Guardian* and so on.

The Globe and Mail or *Vancouver Sun* would have an equally wide coverage of contributors in various countries all over the world apart from their regular staff men.

Last year also, for example, *Free Press* writers went abroad on special assignments on innumerable occasions. Areas visited, and from which stories and articles were filed—I had a quick check on this and the countries include The Middle East, Ireland, Israel, Belgium, Sweden, Germany, Yugoslavia, Italy, Scotland, Japan and Denmark.

I mention those simply for one purpose. If there should be any doubt in the minds of the Committee that the quality of newspapers has shown improvement both in writing and coverage over the years, I would invite you to go into any newspaper library and look at old newspapers of 20-30 or 40 years ago. The stilted and emotional style of writing and the parochial range of coverage of the past would amaze you in comparing with the papers today.

Here in Ottawa, for example, back in 1934, 35 years ago, when I was a member of the Parliamentary Press Gallery, there were only nine permanent members as I recall, which increased to some 16 during actual sessions.

I think you are all aware of the scope of the gallery here now. They have had to move them out and put them into another building.

All these things have expanded the coverage of both the national and international field. There is no question that Canadian newspaper readers today are far better informed than they have ever been in the past.

I have little doubt that most members of parliament and politicians regard the responsibilities of the press in a much different light than the general reading public. This is not unusual and nothing new. I have outlined this factor in my brief and I would hope this committee will be conscious of this fact in your deliberations.

The kind of newspaper a legislator might like is far different from the demands of the general reading public that we serve. The press is and should be a disturbing and thought-provoking force in its community. This is its nature and its value.

It is for this reason that in a free country the press itself is continually subjected to criticism—as you will note in most letters to the editor. *Izvestia* and *Pravda* don't have too much to worry about on that score.

I might just transgress on the lighter side if you will permit me.

The Chairman: By all means.

Mr. Malone: This is a very important occasion, and I would like to touch on it. I would not like to let it pass.

This is almost the 200th anniversary of a great event in England—1771, to be exact.

The Parliament in Britain took objection to the kind of papers or pamphlets which were being published then. They didn't like the way the affairs of parliament were being reported. So they despatched the sergeant-at-arms to arrest two publishers (or printers as they were then called) to bring them before the House to account for their actions and to throw them in jail.

I won't prolong the story but, if you are interested in it, he laid hands on the publisher. At this point the publisher, being very quick on his feet, turned to a bobby standing by and said "This man assaulted me; arrest him." Whereupon the bobby arrested the sergeant-at-arms and threw him into jail.

Then Parliament then said "Release him and the Lord Mayor refused to do it. So they put the Lord Mayor in jail.

I do hope that in any actions your Committee may take that we will not turn the clock back or start on any backward trail.

Senator Prowse: It is a lot of trouble to get rid of the Mayor, is it not?

Mr. Malone: I have got one final point here that I think is of some concern to you.

There have been suggestions of a press council in some form or another in Canada. I have dealt with this very fully in my brief and I would ask that my remarks on this subject be given your full consideration. It is a matter that has had a lot of study. There are lots of factors involved in it. And I have tried to cover it just as fully as I can.

We are not perfect, and we are not above criticism. But we are not an irresponsible press in Canada.

In my view at the present time there is no any justification or need for this type of pre-

council to discipline or direct the press of Canada. In my view it would be a backward step and away from freedom and responsibility to establish one.

But if at any future date the press demonstrates any flagrant abuse of its responsibilities, the matter could be brought up then, and quite properly. But certainly no press council should ever operate, in my view, under the control or direction of government if we wish to preserve a free country.

In closing might I quote two paragraphs from the brief submitted by the *Victoria Times*? Mr. Irwin will not be here, but he has submitted a brief, as the other papers have. And he makes this comment:

"Whatever the ills of journalism only journalists can cure them. Journalism in the sense in which I have tried to define it is a creative process. Its direction demands the creative mind operating in a free environment. Regulation by authority cannot create. External dictation won't create. Only the professionally oriented free mind of the trained and dedicated journalist can solve the problems of achieving socially adequate communication through journalistic process.

In short, only journalists can make journalism work."

Thank you very much, Mr. Chairman.

The Chairman: Thank you, Mr. Malone.

I want to assure you that the Committee has a considerable interest in the problems of the farm press and in the problems of the unions generally, both from the publishers' point of view and from the point of view of the union members.

These are matters which we are exploring and, hopefully, there may be some questions on this for you this morning.

I am also grateful to you for mentioning the representation from the *Victoria Times*. It gives me an opportunity of pointing out, as I have on a number of other occasions, that the Committee has received quite a substantial number of written briefs from publications across the country—publications who will not be appearing at these hearings. And these briefs will shortly be made available to the press.

The only other point I would make before turning to the Senators is that, if any of the questions this morning you feel are of such confidential nature that you would prefer to

answer them privately, then certainly you need only indicate so.

Having said that, I turn first of all to Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman.

Mr. Malone, you submitted a very complete and very comprehensive brief, and added to it this morning with very stimulating remarks, which lead me to ask you this first question.

In paragraph 2 of your brief you first said:

"If the public, as represented by its Parliament, wishes to know more about the information media, 'we are happy to co-operate in your investigation.'"

And then you went on in paragraph 8 to say:

"The suggestion that the press should 'account' to a parliamentary body is, of course, repugnant."

Could you please try and reconcile these two statements for the Committee?

Mr. Malone: Yes. I don't think they are in any conflict.

I think Parliament in wanting to know something about an industry, they are quite entitled to it; and we are happy to co-operate.

But to account to Parliament in what is said, or views, that is the thing that worries me.

Mr. Fortier: You mean on a permanent basis?

Mr. Malone: Or, say, we are called to account for some editorial position we have taken—say, a criticism of the government. That is the aspect that would concern me.

Mr. Fortier: I see.

Mr. Malone: But as to what our business does; who runs the business; who owns it; I agree, this is a matter of public concern.

Mr. Fortier: If the Committee should come to the conclusion that in any way the press is falling down on the job, so to speak, and should so report publicly, would you regard this as improper?

Mr. Malone: Not at all, no.

We get letters from our subscribers every day, and many phone calls, I think, every week, criticizing our paper, saying "You should do this; you should do that." Parliament has views. I think they should be able to speak out and say what they think of us.

Mr. Fortier: Fine. I am glad you have given these explanations.

Mr. Malone, you are General Manager and President of FP Publications Ltd. You are also editor-in-chief of the *Winnipeg Free Press*. Could you tell the Committee how you apportion your time between these two concerns?

Mr. Malone: That is a pretty difficult one. I think really where the greatest demands are each day. I would think about fifty-fifty.

That is a silly sort of answer. No, there are periods when perhaps several days running matters of direct concern to FP Publications as such would take up nearly all my time.

In that case I may have to keep in touch with my office, or Mr. McLintock on the editorial side of it, or the general manager in Winnipeg. I am never out of touch.

There would be other periods where ... Very fortunately in the last two weeks I have been in Winnipeg continuously almost entirely devoted to *Winnipeg Free Press* matters.

So it is really what the demands are.

I travel a lot. I am on the road visiting our papers as often as I can.

Mr. Fortier: I was going to ask you that.

Mr. Malone: And I try to make a point of getting around every month, six weeks, as frequently as I can, wherever the problems are.

Mr. Fortier: You attempt to visit each one of your papers once a month?

Mr. Malone: As closely as I can. If one has problems, I may have more time there. And our papers do have problems.

We are having projections of building programmes going ahead. And we are hoping to expand our facilities both in Ottawa and Victoria. They are in the planning stage now. This takes quite a bit of my time.

Mr. Fortier: Are these the only problems you refer to—problems of economics or physical resources?

Mr. Malone: Largely. But they do cover other matters: the question of staff, personnel, bureaux, labour negotiations; I mean, the whole range of things.

In short, we keep in touch with each of our papers to know what their worries and problems are.

Mr. Fortier: What about the editorial contents of your eight newspapers? Has it ever happened that one of the editors in Ottawa, Lethbridge, Calgary, Vancouver, Victoria or Toronto now, have cleared an editorial with you, or any member of head office, prior to publishing it?

Mr. Malone: No, they do not. Just the reverse. I sometimes pick up a paper with some amazement. Quite often they will take a position which does not necessarily follow my thinking.

You cannot wear two hats editorially. You either believe in one philosophy or do not. I am actively concerned in the editorial policy of the *Winnipeg Free Press*. Now, then, the *Ottawa Journal* or the *Victoria Colonist* may take completely opposite views. They do not show me the editorial before it appears.

I see it that they are entitled to their view. Indeed we may take shots at each other, which we often do.

Mr. Fortier: In view of your position as President of FP Publications, would it be fair to say that the editorial policy of the *Winnipeg Free Press* is also the editorial policy of FP Publications?

Mr. Malone: No, no. No, they each have a distinctive editorial policy. There is no central editorial policy for FP as a group.

If you take a look at the papers it would be very obvious almost any day of the week.

Mr. Fortier: How often does the Board of Directors of FP Publications meet?

Mr. Malone: Not very often. The FP group as such—oh, a couple of times a year.

Mr. Fortier: Could you tell us who the members of the Board are?

Mr. Malone: Yes. There is Mr. Max Bell, Mr. Howard Webster, myself, Mr. Don McGavin in Toronto, Mr. Stuart Keate. I think that is all.

Mr. Fortier: You have given us the share structure of FP Publications. With respect to the Sifton trust shares, could you tell us who votes those shares?

Mr. Malone: Yes. There are three trustees. On the death of Mr. Sifton—his children are minors. Until they grow up he has placed the

voting shares in the hands of his trustees, with very wide powers. There are three trustees—Mr. McGavin, Mr. Shields and myself. And they will be exercised until such time as his youngest son, I think, reaches the age of 25. And then the distribution of shares is really in what is the best interest of the paper.

Mr. Fortier: In your brief after you have explained what the share division was you have a paragraph, which is numbered 28, where you conclude—and as a lawyer I have trouble understanding what you mean here, when you say that as a result of these restrictions in your letters patent:

“...we have in effect voluntarily placed ourselves in the hands of the government should our papers ever be threatened by foreign ownership or control.”

Do you really mean that, Mr. Malone?

Mr. Malone: Well, to this extent, that, say, shares were sold to outside interests, foreign interests, they could not register those shares on the books of the company unless we got a change in our letters patent, in our by-laws.

My understanding is—I have talked to a lawyer; as you say, I am not a lawyer—my understanding is that they would have to apply to the Secretary of State for a change in those letters patent. It is in his power, as I understand it, to grant them.

Mr. Fortier: I won't get into a legal argument, but what you are suggesting is that, if this provision of your letters patent was infringed, then the government could step in? Is that what you are saying?

Mr. Malone: They could refuse to change our letters patent, yes. That was the intent of it.

When we set this up—you can recall there was discussion here in Ottawa about restrictions and controls and so on. We were very concerned about it. I would be very concerned if the government ever attempted to say who owns a paper and who does not. This is the time we set that up. And that was the purpose for it.

Mr. Fortier: So this is what you mean when you say you have put yourselves in the hands of the government?

Mr. Malone: Yes. We discussed it at that time with the then prime minister, and argued the point.

We said “This is our responsibility, but don't start dictating who can own a paper and who cannot.” We said, “We will do everything we can to protect the future ownership of our papers.” And that was the only reason for that provision.

Mr. Fortier: You explained fully and very clearly why in 1959 FP Publications came into being. My question is related to the present and with emphasis on the past insofar as the *Vancouver Sun* and the *Globe and Mail* are concerned.

Since 1959 where you attempted to realize this concentration in order to obtain economies of scale, what has motivated your acquisition of two other newspapers?

Mr. Malone: Well, simply this, that we were originally a western group. We have always been interested in the possibility of linking up with eastern newspapers.

Mr. Fortier: You had the *Ottawa Journal*.

Mr. Malone: That is right. That was in 1959. And to strengthen our position across Canada. We are in a highly competitive field. There are other group operations in Canada.

Mr. Fortier: Are there?

Mr. Malone: Oh, yes, very much so.

Mr. Fortier: Competitive with whom? I am sorry

Mr. Malone: Well, with our papers we are competitive in nearly every city. We are in a highly competitive position here in Ottawa. We are in a highly competitive position in Toronto. We are in a competitive position in Winnipeg.

Mr. Fortier: I notice you do not use the word “highly” insofar as Winnipeg is concerned. Is there any reason for that?

Mr. Malone: You might reverse the thing in Calgary! We have a morning paper in Calgary. But it is still very competitive.

We have not attempted to acquire a monopoly position in Canada at all. We have papers, and we want them in the place where they will have matters of influence and carry some weight in this country. But we believe in it.

And papers that are in the distant provinces and in the capital city, yes, we are interested in those; but not the idea of trying to acquire a monopoly at all.

Mr. Fortier: Do you still actively seek newspapers in Canada?

Mr. Malone: Only to the extent if I thought it would strengthen our chain in some way or another, in Canada, in major cities in Canada, we are not represented in.

Mr. Fortier: In what way could your chain be strengthened?

Mr. Malone: Well, we have never looked at any papers in the Maritimes. But we are a national group, and we should. I don't know. We have never enquired about the papers down there.

But if we felt the circumstances justified and warranted a national group with a Maritime newspaper, we would be very happy to go about that. We have not.

But it is a hypothetical question. It is hard to answer a thing like that, you know. That could be my view. I could be wrong.

Mr. Fortier: In your words, what makes the strength of a group such as yours?

Mr. Malone: There are two aspects: the editorial aspect...

Mr. Fortier: If you have no common policy, how can you speak of carrying some weight in the country—if you have no common editorial policy?

Mr. Malone: No, but a paper, if it has a strong voice under it, it speaks with a little stronger voice. We are all aware of this.

I could go back to the thirties in Saskatchewan, where life was very thin and our profits were very low. It was difficult to speak with a very loud or commanding voice in the thirties, when we did not know if our paper was going to survive or not.

If you have a strong economic basis, strong associations, good news services, and are allied with strong papers, it strengthens that view. There is no doubt about it. People speak up in a better way.

You have better access to and an exchange of staff. You have better news sources to bureaus. And it has that benefit to it. It is very real.

The economic benefits are not as large as they might appear. It is generally assumed

that, if you have papers, you can have great economic favours, and so on. It does not work out that way.

I would suspect our bureau, our overseas costs now are more than they were before we had a group operation. There are not great savings in that.

There are benefits in mechanical areas. For example, you have experiments going on in all the newspapers across Canada to some degree. Some are staying with full type; some are with offset; some are developing a slug conveyor.

If you are in a group operation, there is a benefit of passing on mechanical knowledge. You can send your mechanical foreman to another paper. If he gets a benefit, he will pass it on to you. This is a strength for a paper.

Mr. Fortier: This is what you mean when you refer to the strength of a paper or a group in the country?

Mr. Malone: Yes. I am talking both economic and operational strength; and also the question of the editorial strength that you do speak with a stronger voice than if you are in an isolated position.

Mr. Fortier: Do you think the *Globe* speaks with a stronger voice editorially than, say, the *Telegram* or the *Star* in Toronto because it belongs to a group?

Mr. Malone: I have always believed that.

Mr. Cooper is here. You can ask him the same afternoon.

Yes, I believe that. I do.

The Chairman: What do you mean by "stronger"?

Mr. Malone: I would not suggest that the group operation has changed their editorial point of view, I don't think. But their joint operations in bureaus, news coverage and on...

The Chairman: No. I am sorry. I was relying specifically to the *Globe and Mail*, as Mr. Fortier said, speaking with a stronger editorial voice than the *Star* and the *Telegram* in Toronto.

When you say "stronger" do you mean that they take positions more...

Mr. Malone: No, no. The strength in the future of the paper I think is insured here. The *Globe and Mail* was a single independent paper there, single ownership.

Say the proprietor suddenly died and there were heavy succession duty problems. I think joining with the FP group has strengthened the *Globe's* position in the overall position.

The Chairman: I think the question relates to editorial position, however. It would be my opinion that each one of the newspapers in Toronto takes an equally strong editorial position.

Do you agree with that?

Mr. Malone: Yes, I do.

The Chairman: I am sorry. I misunderstood you, then.

Mr. Malone: I think the *Globe and Mail* speaks with a stronger one.

Mr. Fortier: These were Mr. Malone's own words.

Mr. Malone: I think they speak a little stronger in the *Globe and Mail*.

Mr. Fortier: In what way?

Mr. Malone: They take good, strong stands.

Mr. Fortier: Do you not think the *Star* and the *Telegram* do?

Mr. Malone: You are talking to a man who has a little bias here. You might try that one with Mr. Cooper this afternoon. He will have a bias too.

Mr. Fortier: We will.

Mr. Malone: It is a matter of professional pride you are touching on here.

Mr. Fortier: Your bias is understood and excused.

Could you give us an example of a situation which arose in Toronto where, because the *Globe* belonged to the FP group, it took a stronger stand editorially than the *Star* or the *Telegram*?

Mr. Malone: No, offhand I don't think I could. But I think, as I say, this might be more properly directed to the *Globe and Mail* people.

I think they have a feeling of greater security and strength in the community on their paper as a result of joining the group.

Mr. Fortier: Without going into particulars or details, as you have expanded with the *Star* in 1963 and the *Globe* in 1965 have you realized more extensive economies of scale?

Mr. Malone: Not a great deal, no.

Mr. Fortier: But you have had some?

Mr. Malone: There have been largely benefits from mechanical developments and exchange of ideas. These have been helpful. But there have not been opportunities to cut down costs here and there by doing it as an operation.

I think I say in my brief we did not achieve the economies that we might imagine were there. And when you get into it you find there is no very substantial economy.

Take for example the Washington Bureau. You might think all right, you could reduce your Washington Bureau when you put it into a group. Well, there were three men in Washington; there are still three men in Washington. There was no variation there. There are very few areas of actually cutting down, or reduction.

In mechanical know-how there are some definite benefits.

Mr. Fortier: So with that thought in mind, and the others which you have expressed, you are in the market for other newspapers?

Mr. Malone: In certain circumstances, yes.

When I say that I mean if it was a good property and we thought it was in a position where it would not be creating a monopoly position, or it would strengthen our group. No, we are not going out trying to buy up every paper.

Mr. Fortier: But you are trying to buy some, as we heard yesterday?

Mr. Malone: No. I was here at that meeting, and I was rather shocked. We have never made an offer for the Brantford paper. I don't want to correct my fellow publisher, but we have never made an offer for the Brantford paper.

Mr. Fortier: What about the *London Free Press*?

Mr. Malone: We have had discussions with the *London Free Press* and said, "If at any time you are interested in joining a group, we would be interested in talking to you." We have never gone beyond that.

It is quite true, London is an excellent city. It is a good paper. If they were ever in a position where they want to change from being a privately-owned corporation, we would be very glad to have them join us.

Mr. Fortier: Do you look for any particular type of city when you are looking at a newspaper?

Mr. Malone: No.

I wonder if I could correct this. We are not actively going around looking for papers. If a situation develops and we think it might be a benefit to our group, we talk with them. But I am not going around knocking on doors trying to buy papers.

Mr. Fortier: I will phrase my question differently, then. If a situation developed in Brantford, Ontario, would you be interested?

Mr. Malone: No, I don't think so. If we had, I think we would have perhaps indicated. But we never have.

Mr. Fortier: Why would you be interested in London and not in Brantford? This is what I want to get at?

Mr. Malone: I think largely on this count: if you can group papers of roughly the same size together, it makes a very good operating package.

For example, the Thomson papers are all roughly the same size across the country. They are very proficient in knowing how to operate these papers.

Now, if you suddenly threw one large paper into that grouping, it is not as easy to work.

We have smaller papers in our group. Now, they are working on a different scale of things. They have not got the space and pages. They cannot cover the great wide range of bureau stories, and so on. It does not fit the package too well.

That is one thing. And that is purely economic.

The other thing is, you say, well, here in British Columbia for example there are smaller papers in British Columbia. But we have not reached out for them. We have a dominant position—I say “dominant” as far as Vancouver is concerned. We have got the large paper there.

Now, we are not hungry to go out and grab up the other papers out there at all. I mean, we have a position in the Province of British Columbia. I think we can speak effectively in the medium we have got.

Mr. Fortier: In looking at these situations as they arise (which is in effect what you are saying) how far do you think you should go, Mr. Malone, in expanding?

Mr. Malone: That is a good question. It is question of numbers on this.

If you carry it to the ultimate, no, I would not want to see the newspapers in Canada handed down in perhaps two or three groups. That would be a bad thing. I think I have touched it pretty clearly in my brief here. There are advantages to group operations, but also disadvantages.

The question of public credibility is one thing. You know, “Here is a group that controls everything; they are speaking for the province.” This is a bad thing—bad for the industry, bad for us.

I have indicated to you that, if a special situation has occurred in good papers, yes, you would look at them. But we are not trying to grab them up. I think there is a limit very definitely perhaps in terms of provincial areas.

We are broadly scattered across the country in the provinces. We have nothing in Saskatchewan. I think the Saskatchewan papers would strengthen our present group.

They used to be with our organization. I am sure if they ever wanted to dispose of it, I would welcome them in our group, because we have no voice in Saskatchewan.

But I have no desire to try to buy up all the papers in the province.

Mr. Fortier: Would that be a good or bad thing, for one company or one person to own all the newspapers in one province?

Mr. Malone: I am giving you a personal view here. No, I would not be in favour of that.

It depends. I mean, it is a hypothetical thing: what the conditions are; what province; if it is a question of saving the paper from folding up, or something like that. It is difficult to give you an answer without knowing the exact circumstances.

Mr. Fortier: You are speaking in general terms and you say that there is a limit.

Mr. Malone: Absolutely.

Mr. Fortier: ...to the expansion of group ownership. Is that correct?

Mr. Malone: Yes, I think there should be a limit. Yes.

Mr. Fortier: And would it be fair to say that that limit depends on the type of newspapers which belong to a particular chain?

Mr. Malone: No.

Mr. Fortier: I am trying to make a comparison—which you make yourself—between the Thomson, for example, and the FP group.

Mr. Malone: I think you have to look at it in terms of the public good.

You had Mr. Henry here the other day, and I was following his remarks pretty carefully. If a group or an individual newspaper, in the opinion of the Combines Branch is working against the public good, I would think the Government, or the Combines people, has every right to take a look at it and say, "Is this in the public interest?"

And, if they could demonstrate it was not, I would think they would be quite at liberty to act on it.

Mr. Fortier: This Committee is very interested in your views and the views of the people of your experience. I will phrase the question differently. I quote the learned Justice—I think it was Hamm—in the States in the Aluminum case: "How much is too much?"

Mr. Malone: I am afraid I cannot answer that. I mean, I like to be specific. I cannot tie you down to exact numbers.

Mr. Fortier: Can you tie it down to the number of provinces?

Mr. Malone: One hundred per cent would certainly be wrong.

Mr. Fortier: Can you tie it down to the number of provinces?

Mr. Malone: No. Each province has a different number of cities in it, different economic weight and concern in the country.

I could see nothing wrong with a good substantial group having representation in each province. I see nothing wrong with that.

Mr. Fortier: You have said a number of times in the last little while, and I quote "We can speak effectively in B.C., and we can speak effectively in Alberta." What do you mean by "speaking effectively"? What is the message of FP Publications?

Mr. Malone: Well, simply this, that here we have a substantial paper. It is regarded by the community in good terms. It has a wide circulation. And we try to appoint editors and newsmen of competence, and give them a free hand. And this is a public service, in our

view. I mean, this is a very real thing with us.

Our view is that the paper can be effective if it has got a good medium, good respect, good circulation. And we think it can make a contribution both to the province and the national effort.

Mr. Fortier: And this is what you mean by the message of FP Publications?

Mr. Malone: Yes. And I think we can add something in this.

Mr. Fortier: You are not implying that there is a central message which FP Publications has to communicate?

Mr. Malone: No, not at all. Just the reverse. You will be talking to Mr. Norman Smith of the *Journal*. This will be a very interesting discussion. You could touch on that.

When the *Ottawa Journal* joined our grouping, this was very clear: they were traditionally a Conservative paper. And this aspect was discussed when they joined. And I was very clear at that time. And I discussed this with one of your fellow Senators, Senator O'Leary, and Mr. Smith.

And I said that we had no intention of changing the philosophy of this newspaper at all. It would continue as a Conservative paper. All we asked was that it would be a good Conservative paper, and a strong one, and speak out. This is the purpose of papers.

Mr. Fortier: And you are trying to balance things out in Winnipeg!

Mr. Malone: We are balancing it out in Winnipeg. We take shots at each other.

Mr. Fortier: I was interested in the comment in your brief that when you had a Conservative or Liberal newspaper and you had to appoint an editor you looked for a Conservative or Liberal editor.

Mr. Malone: Yes.

Mr. Fortier: My question with respect to this statement is this: supposing your "Conservative editor" switches allegiance in mid-stream. That has been known to happen.

Mr. Malone: Yes.

Mr. Fortier: What would you do at FP Publications?

Mr. Malone: Well, I think you would have to do the same in terms of, say, an editor suddenly becoming irresponsible.

Mr. Fortier: Do you mean he would be irresponsible if he switched?

Mr. Malone: No. You can have a responsible Conservative too, you know!

No. If he was doing a competent job there—his views might be widely different from ours, but I think, if he was being accurate and speaking honestly and with conviction and able to document his opinions, no.

Mr. Fortier: Yes. But, you see—maybe I was not clear enough. But take the case of the *Journal*.

Mr. Malone: Yes.

Mr. Fortier: Supposing the *Journal* in its editorial policy (if that is imaginable) became Liberal-minded rather than Conservative.

Mr. Malone: This would cause problems for me. I don't mind saying that.

Mr. Fortier: But you do say that when you are looking for the editor of a Liberal paper, you look for a Liberal man.

Mr. Malone: Yes, that is right.

Mr. Fortier: If that man changes allegiance...

Mr. Malone: This would not distress me at all, if he had a good and valid reason, and had his convictions behind him, and believed in it. That is fine.

We have done this. Our papers, whether they are Liberal or Conservative, have not necessarily supported that party in every campaign or every election.

I mean, there are periods in the history of the *Free Press* where we have supported other than Liberal policies. We have not necessarily supported the Liberal party.

Mr. Fortier: In the case of Mr. Kierans perhaps?

Mr. Malone: Yes. It would only be if an editor became highly irresponsible—he was not on his job, or something like that. Then the head office would have to do something. As I have said, we cannot abdicate our entire responsibility. We give them a very free hand. But in the final analysis the proprietor who owns it cannot argue in a court and say "I am not responsible." The court will hold him responsible—and throw him into jail if he ignores these things.

Mr. Fortier: But if one of the main considerations for FP Publications hiring a man as an editor is not there any more; it disappears—that is, his political allegiance...

Mr. Malone: No, not entirely political allegiance here.

Mr. Fortier: His political learning.

Mr. Malone: I know, but what kind of paper is it? What sort of country is it in? What kind of national background has the community?

Say we have a farm paper. Now, Bruce Macdonald is our editor of the farm paper. Bruce has a background in the rural areas. He knows farmers. There is no sense, with all due respect, say, taking somebody who has grown up in Toronto on the *Globe and Mail* and suddenly projecting him and expecting him to be a farm editor. You have to pick your man who has the craft and knowledge and background, and the interest in it.

Mr. Fortier: So a change in philosophy of the part of any one of your editors in the chain, in the group, would not bring about dismissal?

Mr. Malone: No.

The Chairman: I have one question on the very point.

What if the editor of the *Ottawa Journal* decided at election time not to support the Liberals but rather the N.D.P. Would you answer in the same way?

Mr. Malone: If it was an honestly-held conviction and he had reasons for it and argued his case, yes. If it was not an irresponsible act—and when I say "irresponsible" I mean not from political games being played—no, there was a valid reason for it; if he felt the N.D.P. candidate was the right man, and honestly argued the case.

The Chairman: This is hypothetical, of course. What if he decided that he, the publisher, had become a socialist, and was going to permanently expound socialist views and support the N.D.P.

In other words, he was not making a decision on the candidate but he was making a philosophical decision?

Mr. Malone: That is a pretty hypothetical question. I don't think I can answer. You would have to deal with these things as they came. I could not give you the answer to the

might say something and I could be completely wrong.

I don't think this is likely to happen, you know.

The Chairman: Why?

Mr. Malone: Well, I have followed the philosophy, the arguments and the debates of the *Ottawa Journal* for some time. I don't think they would...

The Chairman: What if this happened with one of your other papers?

Mr. Malone: This is quite conceivable in any area, the area of provincial politics where often the provincial philosophy of the parties is not the same as the federal policy. And there have been occasions where we have supported Social Credit candidates.

The Chairman: Then is it inconceivable derally?

Mr. Malone: No, it is not inconceivable derally. If you can tell me what the federal issues are going to be in an election, I might better give you an answer to that. But we don't know what the issues are.

The Chairman: Mr. Fortier?

Mr. Fortier: I think Senator McElman had a supplementary question.

The Chairman: I am sorry, Senator McElman.

Senator McElman: If at the *Ottawa Journal* the editor had a very strong conviction of change in political philosophy and the other principal people associated with editorials and news at the newspaper did not have a similar change of conviction, and there developed within the organization a controversy; would at that stage head office step in?

Mr. Malone: No. I don't feel this would occur, for this reason: there are definite areas of responsibility. The *Ottawa Journal*, the particular paper in question there, when the *Ottawa Journal* joined the FP group, so that there would be no doubt or questions in the former proprietor's mind on this point, we gave a definite undertaking that the federal policy remained in the hands of the then president, Senator O'Leary and Mr. Norman Smith, and then on the retirement of Senator O'Leary to Norman Smith.

...would never interfere with the editorial policy.

Senator McElman: Excuse me. I had forgotten that arrangement. Let us take another paper that has no such arrangement. Would head office then intervene?

Mr. Malone: Give me your question again then in the context of another paper.

Senator McElman: If the one in charge of editorial policy changed his political connection...

Mr. Malone: Yes.

Senator McElman: And those around him, who were doing a major part of the work in association with him, did not change theirs, and controversy developed within that specific element of your organization, then would head office step in to resolve it?

Mr. Malone: No, only if it resulted in very serious conflict or controversy head office might have to intervene.

We have never had to. You put your editor in charge, and it is up to him. You trust him. You get an experienced man. He may have people underneath him who may not agree entirely. They have conferences and argue it out.

I think it is a strength of an organization that they do not all march in and have identical views. And you have editorial conferences. They argue points of view. A new issue is thrown at them, and they say "What position do we take in this?"

In the final analysis the editor is held responsible. And I do not interfere with that.

But, as I say, if a really serious controversy developed, we could not sit back. We would have to resolve it some way or another. But without knowing what the norm was...

The editor is there. He is given his responsibility. And there is an absolute minimum of interference.

If the managing editor wanted to shoot the editor-in-chief, certainly we would have to step in. It is a matter of degree of what the problem is.

Senator McElman: What I have in mind, Mr. Chairman, is that we have received testimony from several quarters. But, if after an editorial conference some person holds a very strong viewpoint opposed to what the paper is going to follow editorially in a given instance; then they never compel anyone to write in opposition to the views he holds?

Mr. Malone: No.

Senator McElman: Well, what I am thinking of is that a continuing change of philosophy is involved.

Mr. Malone: Yes.

Senator McElman: It is not a single incident. I can see a serious conflict developing.

Mr. Malone: Certainly.

Let us say you have a senior editorial writer, or whatever it is, and he feels he is unhappy with the direction his paper is taking, and he cannot resolve this with his conscience, and that sort of thing. He must make up his mind. The editors are in charge. He is put there. He has a responsibility.

I think in fairness he should go to his editor and say "I can't go along and identify myself with this. I am afraid I will have to leave", or "Can you transfer me to another paper?" or something. He must be honest with himself.

Now, the editor has the same responsibility. I don't think he should go to a man and say "If you want to continue with this paper you write this" and so on. We never do that if we have an honest difference of opinion in our group editorially.

I am talking now about the *Free Press*, because I am a little more closely associated there. We have perhaps half a dozen editorial writers. A man may have one particular outlook, and he does not feel he can argue a point of view his editor may have in mind. His editor does not say "Whether you believe it or not, you write it."

Senator McElman: I realize there is scant chance of this hypothesis developing.

Mr. Malone: Yes.

Senator McElman: But the end result of the testimony we have had before would be, of course, that the editor-in-chief would stay and everybody else would be transferred.

Like you, I could not conceive of this ever happening.

Mr. Malone: I might give you a simile that I think is relevant here, in army terms. The senior staff officer may not always agree with his commander. He has certain obligations to his commander. He must give him his best advice. He must argue his point of view. But in the final analysis the commander must take the responsibility of a decision. He may be wrong, but he carries that responsibility, not the senior staff officer.

Now, then, the staff officer must support him loyally. He has an obligation to put his

point of view, argue it, support his chief with all the information he can. If the chief in his wisdom decides this is the course of action that has to be, the staff officer has an obligation to support him.

If he feels in his conscience he cannot, must go to him and say "I can't honestly support you."

And this is much the same, I think. If there is, say, a continuing philosophy in a paper, and you reach a point where a writer felt he could not go on, I think he has an obligation to be honest and say so, in much the same context there. And he would ask to be transferred to another paper or say "Well, I am afraid I am going to have to leave you." But don't think he should remain in a false position. I think it would be very wrong. I would not agree with that. I would think that would be an impossible situation. I am sure it does not happen with us.

The man would say "You are entitled to your point of view. This is the way the paper is going. I don't think I can write it." That is fine. We accept that. We have had conditions like that. But it very seldom happens.

But here we may argue with, say, a western point of view. And I may have a different point of view from an eastern paper. We may argue it from the standpoint of the west.

This is perhaps the background of a paper to argue vigorously for the west—against tariff, or for tariff, whatever it is. And if you have a man who honestly does not believe this, you cannot say "You must write this whether you believe it or not."

You say "Well, the editor's position is this. This is the line the paper is going to take. And somebody else will write it."

Does that answer your question?

Senator McElman: Yes.

The Chairman: Mr. Fortier?

Mr. Fortier: I think I will call you Brigadier Malone now!

Mr. Malone: No, no, no.

Mr. Fortier: You make a point in your brief of stressing (maybe the word is too strong and, if it is, please correct me) that you do not own or control a single operating broadcasting facility in Canada, although you do refer to some non-voting shares in Selkirk Holdings—I think it is some 7 per cent

approximately—and an investment of 12½ per cent of the shares in Victoria Cablevision Ltd.

My question is, is it the policy of FP Publications not to get into broadcasting?

Mr. Malone: Yes. We are not anxious to get into a position where we control a broadcasting facility, certainly in areas where we have a strong position with the newspaper publication.

Mr. Fortier: Why?

Mr. Malone: I think simply this, that if you place yourself in that position, people are going to say, "Oh, you are trying to dominate the thinking of this area, this town" and so on.

I am now going back some years to the period when we divested ourselves deliberately of a broadcasting facility. I am going back some years. At one time in the Sifton group we owned two radio stations in Regina. We thought it was wrong. We said it was not a good thing for the community.

I do not feel we should necessarily keep out of the broadcasting industry...

Mr. Fortier: The radio stations in Regina are still owned by the same...

Mr. Malone: We used to have two. There is one now. We sold off one of them at one time. We disposed of one of them. We used to have two at one time.

When I say I am going back now for some time...

Mr. Fortier: You are going back to prior to FP Publications.

Mr. Malone: In the matter of philosophy in the broadcasting field I have only one concern at the moment. I do not know where the future lies in the electronic media at all.

Cable television is a new thing. It is expanding. What its future will be 20 years from now, I don't know. I don't think anybody knows. It could get into an area of being a means of transmitting news.

Well, our business is collecting and selling news. That is the fundamental business of the newspaper. Advertising makes this possible, but fundamentally we sell news; we gather news.

I would say if cablevision because the chief means of distributing news across Canada, obviously we must have an interest in it. This is our business.

Mr. Fortier: How are you hedging your position, then?

Mr. Malone: We have not done very well with it. I think we should, and it bothers me that we are not.

I don't think we should get control of the situation in cablevision; but I wish we had an interest in the major centres in which we have papers. I would welcome that.

Mr. Fortier: You have touched on this in your brief, but what is the present attitude on multiple media ownership?

Mr. Malone: I think we are on record. Our principal game is the newspaper business.

I think to some degree the broadcasting industry can complement it. And, as an investment, we are interested in it. But in terms of trying to get control and dominating it, no, we are not interested in the broadcast industry to that degree at all. I see an investment interest in it.

I have some concern about the future of cablevision, simply on the question of are they going to distribute news in the future? This is our business. If they are, we should hedge our position.

You may have seen that ANPA in the States have issued some comments on this saying to newspapers in effect, "You are in the news business; if this is the developing medium, you should take an interest in it. You have a responsibility in it, if you are interested in the game of mass communication."

And, as I say, I don't think anybody knows what the future of cablevision is. But I would see nothing wrong with getting into cablevision in a fairly strong position. I do not mean absolute control.

As I say in my brief there, we have no position of voting, no directors in any company. I wish we had in cablevision. I wish we had a man on the Board to keep in touch with it. We would have a greater interest in it.

Mr. Fortier: Let us take the London situation. You confirmed that you had indicated to Mr. Blackburn that, if it was for sale, you were interested.

Mr. Malone: Yes.

Mr. Fortier: Would you buy the newspaper, the radio and the T.V. interest of Mr. Blackburn? Or would you buy only the newspaper?

Mr. Malone: Again this is a hypothetical question. We would look at the thing. I could not give you an answer. What I say now could be wrong.

If Mr. Blackburn were interested in selling, certainly we would look at it. I don't know the conditions on which he might want to sell it. He may never. He may say, "I want to sell off the broadcasting and not the newspaper."

Mr. Fortier: It is not fair to you or to Mr. Blackburn, but I ask the question only because that is the sort of situation I would like your comments upon.

Mr. Malone: I do not think I am qualified to give an answer to that. I don't know London well enough. I do know London, but I don't know ..

I think he is doing a very good service up there.

Mr. Fortier: Forget about London. I would rather you looked at it subjectively. What about FP Publications; does it have a policy on multiple media ownership?

Mr. Malone: We would be very conscious of our responsibility of not going into a situation that would harm our group.

In other words, if you say that we buy up all the broadcasting facilities and all the newspapers in the town, I would say no, that would not be right. I think we would run a great risk.

We might run it very well. I think we could. I think we could put out better radio and television.

But in principle I would have deep concern and worries about the picture—whether that is a good arrangement or not. Frankly, I do not think it is.

We all think that the administration of something is fine in our hands, but who comes after in the future? No; this would worry me.

Mr. Fortier: Outside of your group, which is the best newspaper in Canada?

Mr. Malone: Oh, I won't walk in to that one. I have to live with these publishers! Whichever city I am in is the best paper.

Mr. Fortier: I won't press you.

We got an answer from Mr. Bassett to that question.

The Chairman: Could I just ask which one of your own newspapers is best?

Mr. Malone: You have Mr. Keate in the room here, and you have Mr. Cooper.

The Chairman: But in your opinion—*The Free Press*?

Mr. Malone: Don't push me too hard! We have some very good newspapers. As was saying, the city I am in is the best paper.

The Chairman: So today the *Ottawa Journal* is the best paper.

Mr. Malone: I won't go into that.

The Chairman: Okay.

Mr. Fortier:

Mr. Fortier: I thought the Chairman would strike me down if I asked that question!

In your verbal presentation earlier this morning you suggested (at least, I thought you did) that the Government should consider union feather-bedding. Is that not purely matter for collective bargaining in the industry concerned, Mr. Malone? Should the Government interfere?

Mr. Malone: I suppose you would be right with that. I have put in here that it is problem that is facing our people. It is a very serious one.

I am not suggesting the Government should intervene, or something like that. Maybe to Labour Department; they have arbitration and things like that. But, I mean, in the normal processes, no, I don't think the Government should arbitrarily step in and interfere in something like that.

I think they might be well advised—I think your Committee might be well advised to look at it as they did in England. It is a very important aspect of our business.

Mr. Fortier: I would be very interested to hear whether you feel that feather-bedding in, say, newspaper publishing companies is a particular and special concern to the public, or maybe to the Government, more so than in another industry because, in your definition, newspapers are a public trust.

Mr. Malone: Well, if situations exist, I suppose, in any industry, that result from lack of efficiency or lack of economy, the public is going to pay for it in some way or other.

In the automobile business, whatever, if you turn out a more efficient job, a more economical production, the public will get the benefit of this. I mean, this is the general interest.

So I don't suppose it would have any particular reference to the publishing industry. Except this: that in your previous hearings I know you have expressed concern at the fewer number of papers in the country.

Well, now, I don't think that is a good thing. In Toronto you used to have four and five newspapers. Now we are down to three.

Well, the economics of the situation have dictated that to a large extent. And if we have further mortalities in the newspapers, as many American publishers have stated, in many cases they feel it is due to union conditions.

Mr. Fortier: Yes, and you make the point again that this has been so in the U.S. and in England?

Mr. Malone: Yes.

Mr. Fortier: In your experience has this happened in Canada?

Mr. Malone: It varies so greatly. The situation is different in every city and every paper. They all have different contracts. It could be very hard for me to generalize.

Mr. Fortier: Has this happened in any of our newspapers?

Mr. Malone: Put it this way: there are many things we could do which would result in greater efficiency and greater economies if we did not have the existing labour contracts.

We want to introduce new equipment. Well, a lot of equipment we have not been able to get in.

Mr. Fortier: This has happened?

Mr. Malone: Oh, yes, yes.

Mr. Fortier: Where?

Mr. Malone: Well, here the difficulty with, say, switching over to TTS and computers. We could go out and get equipment. Now, whether the union will adapt to that or whether they would say, "We have to have jurisdiction over it"—you get into this problem. It is more trouble than it is worth. So you don't push it as well as you should.

But that is really an area, as I have suggested here to you, I think that is well worth your study. And I would think you should get a pretty highly-qualified man to give you some help on that. It is a legal thing.

There are labour lawyers who are expert on labour contracts. There are a great many of them in the country. But I think it would be well worth your study.

Mr. Fortier: I will just try one other question. Over and above the legal aspects of this relationship, is any one of your newspapers in the group not operating as efficiently as it could if it was not for the policies of one of the craft unions?

Mr. Malone: The answer is yes.

Mr. Fortier: The answer is yes?

Mr. Malone: Yes.

Mr. Fortier: Is there more than one?

Mr. Malone: Yes.

Mr. Fortier: How many?

Mr. Malone: Well, here I would have to give some thought to it.

Mr. Fortier: Would you like to answer that...

Mr. Malone: I would say in at least half of our papers we could make greater efficiencies and greater economies if we were able to proceed with new techniques and procedures, yes.

Mr. Fortier: Mr. Chairman, I would like to pursue that, but I don't know if the witness would like me to do so.

Mr. Malone: There are two things. I want to be very frank with you here. I have deliberately suggested that this is a very involved subject. I don't want to stagger you, but this is a tremendously involved subject. And you need a highly-qualified man.

I could touch on it, but I don't want to give some wide, sweeping statements. You need an expert here to come and talk about contracts exactly.

And the circumstances are different in each city and each contract and each union.

Mr. Fortier: Would you like to send the Committee a brief on that very point maybe?

Mr. Malone: I do not think that I could be helpful in that, to speak for the industry. I mean, it is a...

The Chairman: Well, there are...

Mr. Malone: I could send you some contracts, all our labour contracts. But I would suggest that you get a competent lawyer to sit down with you to interpret them. All our labour contracts are available to you.

The Chairman: There are few people in the publishing industry in Canada who are more senior than you. And therefore, while we would be interested in a lawyer's views, we would be particularly interested in your views.

Mr. Malone: I don't profess to be an expert in this area. There are people who are better qualified.

I must be very frank. We are in negotiation in three or four cases at the moment in Canada. I mean, here we are negotiating with different unions. And it is a question of interpreting what I say here that has a bearing on these situations.

Mr. Fortier: But your experience in dealing with unions on behalf of any one of your newspapers, and in view of your statement that you could operate more than half of your newspapers more economically if it was not for union practices, I think is very important indeed to this Committee. I think it would help the Committee immensely if you were to comment in this report on this particular aspect which you feel it should apply its mind to rather than working in generalities.

Mr. Malone: Yes. Put it this way: there are areas of efficiency and economies in different newspapers, and I would be glad to be helpful. But it would be a long study. I am not prepared or qualified here this morning to get into it in detail. I have not got the reports, and so on.

Every time you negotiate a contract the clauses are changed, paragraphs are changed. And it is an involved study.

If I could be helpful to the Committee at a later date... I mean, if you were studying union contracts, I do think you need some proper legal advice on it. But if I could be of help at that stage, by all means.

Mr. Fortier: May I suggest again, Mr. Chairman, that Mr. Malone be asked to submit his views on problems encountered in any one of his own newspapers with the economies which he feels has—

The Chairman: I think that is a good suggestion. And of course this would be of a confidential nature.

Mr. Malone: I would be prepared to give a list of areas which I think specifically... Say in this union or that union where it is the make-ready clause, or that...

I would be quite happy to list the types of areas where I think economies could be made.

I gather you don't want this tomorrow?

The Chairman: No, no.

May I suggest, Senators and gentlemen that we now adjourn for about three or four minutes to give the reporter a break?

—Short recess

The Chairman: If I might call the meeting back to order.

I think perhaps the questioning now will begin, Mr. Malone, with Senator Prowse.

Senator Prowse: Mr. Malone, on page 3 of your brief in paragraph 6, talking about freedom of the press:

"The freedom of the press is also the right of the public to buy a newspaper each day if they wish, to write letters to the editor, or, to start a paper of their own if they don't like it. There is no compulsion involved and it is for this reason that newspapers must to a large degree meet the needs and demands of their readers"

et cetera.

Now, yesterday Mr. Blackburn told us that he was controlled in his exercise in a one newspaper town, which is a matter of concern to everybody, including yourselves—the situation.

Mr. Malone: Yes.

Senator Prowse: And he said that the were perhaps disciplined—I don't think that was his word, but the effect of it was—by the fact that there was always the phantom newspaper there; in other words, the knowledge that, if they did not do a satisfactory job running their paper, somebody else would come in and start one.

Now, what was it going to cost to start another newspaper anyway?

Mr. Malone: A very good question.

Senator Prowse: Is this a realistic question? You in the same paragraph say a guy can buy a newspaper if he wants to, and then in the next, after commas, you say "Or he can start his own."

Now, we are not seriously suggesting this as an alternative that is realistically available.

Mr. Malone: It is an alternative, but it is very costly and very risky.

Senator Prowse: All right; let us take my own situation. I come from Edmonton, as you may or may not know.

Mr. Malone: Yes.

Senator Prowse: And I think you have looked at the situation there.

Mr. Malone: Yes.

Senator Prowse: Do you mind telling us what you think it would cost, how many millions a person would have to put into an operation, including what they would lose in he starting before they would end up with any kind of a viable operation.

Mr. Malone: It is not entirely money. It is of a matter of taking it out of the air. I would not think a person would be wise to tackle that market unless they had a pretty competent staff and know-how and had about eight or ten million dollars.

Senator Prowse: As a minimum?

Mr. Malone: Yes.

Senator Prowse: And even though you would walk in without any labour difficulty presumably and establish it with all of the test technical equipment?

Mr. Malone: Yes.

Senator Prowse: You would still be looking at that kind of investment as a minimum?

Mr. Malone: Yes. You see, you have got to establish a medium that can command a certain volume of advertising to get revenue.

Now, you have to fight for circulation, and the cost of achieving a circulation that could command enough revenue...

For example, if the merchants of Edmonton said, "Here, we will guarantee so much advertising for the next couple of years; we have got some revenue coming in," I would get at it like a shot.

Senator Prowse: And some of them have been almost at that point at times.

Mr. Malone: But look at it from their standpoint. They say, "All right, we are prepared to back you with advertising revenues. How much circulation are you going to give us?" What can I guarantee them?

Senator Prowse: You could give away the paper.

Mr. Malone: Well, I am not in favour of giveaway newspapers. I think if a person

buys a paper, he is more apt to pay more attention to it. And he will only buy it and give us good money if he wants it.

Senator Prowse: There also may be there the possibility that it might get contagious.

Mr. Malone: Well, that could be.

No, Edmonton is a growing city. I think some day it will have another paper. I think it should have another paper. But when it is viable and when a paper can go up there, fight its way in, and achieve forty, fifty, sixty thousand circulation, whatever it is going to require to hold their own, is a very tough battle, and a very expensive one.

I think the day will come some time, though.

Senator Prowse: Would you say that a newspaper would have to have an awful lot of real enemies in a community before another paper would have a real chance of getting in, or it would justify the tremendous investment?

Mr. Malone: I would not put it quite that way. I would not say it must have an awful lot of enemies. I would think they must be putting out a pretty poor product to leave the door open. They were not serving the community, it is obvious, and that sort of thing. It would have to fall down pretty badly.

Senator Prowse: Or fall from grace on, say, one election, which is one thing people do get excited about. The size of garbage cans would not do it.

Mr. Malone: No.

Let us take a new paper that wanted to get into a city, and the paper there had 100,000 circulation. He would be starting up, and he would have to achieve at least half that circulation before he could hope to get advertising from the town. This means 50,000 circulation. You are going to have 50,000 people cancel the other paper and switch over?

You have to put out a better product. And this is a tough thing.

Senator Prowse: Let us take a couple that you have some knowledge of. What is the circulation of the *Tribune* and *The Free Press*?

Mr. Malone: *The Tribune* and *The Free Press*? I can give you exact figures here. *The Free Press* are running about, what, 140, Bruce?

I don't think we have got the *Tribune* here, have we?

These are the figures for September through the six summer month period. The total *Free Press* circulation, 131,9—roughly 132,000; *The Tribune*, 76,600.

Senator Prowse: They are roughly half there?

Mr. Malone: Yes. Yes, that is their total circulation.

The balance is different in the city. *The Free Press* has 99,000 in the city, and *The Tribune* has 47,000. And that is an important factor in retail advertising.

Senator Prowse: That is city advertising. It may be more important.

Mr. Malone: It is important, yes.

Senator Prowse: Can you tell us what the mill line rates are for the two papers?

Mr. Malone: We can give you the *Free Press* one. I don't think I have the *Tribune* here.

On your national—and that is general and it is hard to compare with your local—the mill line rate comparison: the *Free Press*, \$3.56; *The Tribune*, \$4.95.

Senator Prowse: And do you have it on your local?

Before I go ahead what I have in mind is, what percentage of your advertising is national? Is it around 11 or 12 per cent, $\frac{1}{2}$, something like that, or higher?

Mr. Malone: I would think the national might be a little more than that.

Senator Prowse: Maybe you could give a figure so we don't guess.

Mr. Malone: While Bruce is working that out, the mill line rate comparison on local or retail advertising is very different between papers because they have different categories: the bulk line contracts, the frequency contracts. And very seldom do two competing papers have exactly the same scale. So it is hard to figure out.

Senator Prowse: So it would be hard to figure out.

Mr. Malone: One paper says that if you advertise so many consecutive days a week you get a discount. The other paper says that they don't have frequency discounts, they have volume discounts.

So it is hard to add it up.

Senator Prowse: But you can get a good enough figure that if I were an advertising agency I could make a decision on it?

Mr. Malone: Yes, that is right.

Senator Prowse: All right, those figures can be put into the record. I don't need them. This is good enough for me.

It is going to cost me roughly \$3.50 a mill line rate?

Mr. Malone: Per thousand readers.

Senator Prowse: Per thousand readers for line. Is that what your mill line rate is?

Mr. Malone: Yes, based on a million readers. If you had a million readers, that is the rate.

Senator Prowse: Yes, that is right. And in the *Tribune* it is going to cost me about \$5.00, \$4.95, \$5.00—who worries about a nickel here?

Why would anybody advertise in the *Tribune* when they can get so much better value in the other?

Mr. Malone: They are bound to have some exclusive circulation. They are bound to appeal to different areas.

Senator Prowse: Because of a different editorial policy?

Mr. Malone: It might be political outlook. It might be women's pages. It might be that the sports fraternity like this paper, or the paper. And they said, "I got a good return because I think people who are interested in curling read that paper"—and the advertiser wants to reach the people who are interested in curling.

To the paper selling advertising is a highly competitive business. Maybe they sell the products hard, and the *Tribune* sell their product hard.

They have their advertising manager here. Perhaps he should answer that question. There may be 100 reasons why he should do it.

Senator Prowse: Is the *Tribune* a Conservative paper?

Mr. Malone: Is the *Tribune* a Conservative paper? I would say traditionally in its history, yes, it is a Conservative paper. I think that a fair statement.

Mr. Ralph is here. He is a former *Tribune* man. He could perhaps tell you that.

Senator Prowse: I am a little intrigued by the fact that the *Winnipeg Free Press* has in effect 100,000 and the *Tribune* has about 50,000. But the voting pattern would indicate that there are rather more Conservatives than Liberals.

Mr. Malone: Shall I explain that by saying there are bad Liberals at times? Is that the answer?

Senator Prowse: Yes, that is good enough.

Let us take another situation. Let us take *Calgary*, where you have the *Herald* and the *Albertan*. Do you happen to have the figures on those two?

Mr. Malone: Yes.

Senator Prowse: Circulation figures?

Mr. Malone: I do not think we have the *Herald*. We have the *Albertan*, though.

The *Calgary Albertan* circulation, our last figure was—that is, a Monday to Saturday average: 35,265.

Clare, you can tell what the *Herald* is. Can you tell us what their circulation is?

Mr. Fortier: I have it here: 94,956.

Senator Prowse: Ninety-five thousand in round figures.

Now, what percentage of those are city with the *Albertan*, do you know—because you know a little bit?

Mr. Malone: Yes. Their city zoned circulation is, the *Albertan*, 24,000.

Senator Prowse: And the *Herald* would not appreciate their circulation in numbers even much as you do. You have 11,000 outside?

Mr. Malone: Yes.

Senator Prowse: The *Herald* does not really distribute as widely as you in the other areas, do they?

Mr. Malone: Percentage-wise I would think about the same.

Senator Prowse: Yes, but not in numbers?

Mr. Malone: Oh, no, no.

Senator Prowse: No. Even percentage-wise?

Mr. Malone: Have you got the figure there on the country circulation for the *Herald*?

Mr. Fortier: No.

Senator Prowse: Maybe it is not that important.

Mr. Malone: They have a substantial country circulation.

Senator Prowse: Do you have the mill line comparisons of those two?

Mr. Malone: Mill line? No. I can give you the *Albertan*.

The *Albertan's* mill line comparison is \$7.06 per million readers. I am sorry, I have not got the *Calgary Herald*.

Senator Prowse: The *Herald* is one of the lowest in the country next to the *Journal*, I think, is it not?

Mr. Malone: It is amongst the lowest.

Senator Prowse: So it would be about half of that probably.

Mr. Malone: I would think so. I mean, I don't want to guess at anything. Yes it would be much lower.

Here is a thing that might explain mill line rates a little bit. The larger the paper the lower the mill line rate.

For example, the *Toronto Star*, which has the largest circulation in Canada, for years were very proud of the fact they had the lowest mill line rate in Canada.

The *Free Press*, we are very proud we have the lowest mill line rate. The larger the paper is the lower the mill line rate.

Senator Prowse: So it is not mill line rates alone. It would affect your labour costs, would it not?

Mr. Malone: It would. There was a time 20 or 30 years ago that advertising agencies paid a great deal of attention to mill line rates. It is not as big a factor in advertising selling as it used to be. Why, I don't know. I think it is important.

Senator Prowse: Well, now, in view of this fact that the costs are there, the papers are up, the *Tribune* and yourselves, are you completely unionized in Winnipeg?

Mr. Malone: No, no. We have some union departments.

Senator Prowse: Where, just in the...

Mr. Malone: We have our press rooms unionized.

Senator Prowse: And the mechanics?

Mr. Malone: And the stereotypé departments are unionized. I think those are the only two.

Senator Prowse: Do you have the typographers too?

Mr. Malone: No, we don't have that. We have no ITU union. No, that is all—just the two.

Senator Everett: Could I ask a question on that point?

The Chairman: Yes, go ahead.

Senator Everett: Did I understand you to say the *Winnipeg Free Press* had the lowest mill line rate?

Mr. Malone: No. It is amongst the lowest. At one time we did have the lowest. And we are fighting to get at the lowest. It is not. I would think we are in the lowest four.

Senator Everett: Would the *Vancouver Sun*...

Mr. Malone: They are comparatively low. I have got it here. That is a combined rate. They have both rates out there. You can advertise in one paper or both out in Vancouver.

The combined rate is, though, \$3.85 for the combined circulation.

Senator Everett: \$3.85?

Mr. Malone: That is the mill line; that is per million readers. That is pretty low.

I don't know what the *Toronto Star* one is at the moment. It used to be the lowest in Canada. I don't think they are the lowest now. They used to be. Certainly they are amongst the lowest. I am sorry, I have not got those figures.

The Chairman: Senator Prowse?

Senator Prowse: So the thing is the mill line rate would tend to reflect the actual paper's cost of production, would it not?

Mr. Malone: Yes.

Senator Prowse: And your advertising is your chief source of income?

Mr. Malone: That is right.

Senator Prowse: So the economic viability of the paper is going to depend on its competitiveness of the mill line rate?

Mr. Malone: Except for that one factor I mentioned. I don't think the mill line rate comparison is as important now in the eyes of advertisers as it used to be. I think it should be, myself.

But often if you talk to an advertising agency, you say, "What about your mill line rate; look at this." And he says, "Oh, there are other factors—demographic information about the age groups and the wage levels of the group." He wants a lot of information now he did not have. And he will take those into consideration.

Whereas, as I say, 25, 30 years ago the mill line rate, that was the only thing to look at.

Senator Prowse: Do you know whether the *Tribune* is making money?

Mr. Malone: I suspect they are.

Senator Prowse: How about the *Albertan*?

Mr. Malone: It is getting by. It is not very profitable, but we are not losing money.

For a smaller paper it is tough going. I think anybody would realize that, when you have the mill line rate comparisons, heavy production costs, they are going up, newsprint goes up.

One paper is able to draw a huge volume of advertising in relation to its community, and the other is not.

It is a tough game for a small paper; very tough.

Senator Prowse: Would you say it is probably true that a great deal of your circulation depends on the way your ads cover the desires of the shopping housewife?

Mr. Malone: It is certainly a factor, particularly in the comparison between the morning and the evening field.

I cannot give the exact reason, but the evening field draws the retail advertising. Whether the shopping habits of the wife—she is busy all day; she is running around; and she sits down at night and reads the advertisements; she sits scanning the evening paper; and then does her shopping tomorrow. That seems to be the pattern in Canada.

Now, it is the reverse in England. The big papers are in the morning field. The national paper takes time to deliver it. And the habit has developed largely that they draw the bulk of the advertising in the morning papers.

The large American city, say, New York—there is a tendency back to the morning

papers. But in Canada the pattern (with, I think, one exception) is that the emphasis on advertising is in the evening field, the retail. It is a very important aspect.

You take any morning paper in Canada. There are not many of them left. Their support from retail advertising is minimal.

The *Albertan* draws very little. Even the *Globe and Mail* with a national picture have very little support from retail advertising. They are highly dependent on the national field.

Senator Prowse: Now, with the Ottawa situation you have just about a fifty-fifty split, have you not?

Mr. Malone: It is very close. And the competition is very rugged, very real.

Senator Prowse: I remember, Mr. Malone, at one time with dairies that were in competition, one of them would agree they would carry a very small amount of butter in one place and they would concentrate on the ice cream market.

And the two dairies then in the next city would reverse that position, and one fellow would carry—the fellow who had the ice cream market in Edmonton, for example, would have the butter market in Calgary.

Mr. Malone: Yes.

Senator Prowse: And the theory was that they kept just a little bit in there so they would clobber the other fellow if he got out of there without it costing them too much.

Do you have any such arrangement as this?

Mr. Malone: No. There is no such deal as that. Here in Ottawa they fight very, very hard for their circulation. I do not think there would be any doubt in our mind that the competition there is very real.

Senator Prowse: Fine; thank you.

Now, you said something that intrigued me: you have no editorial policy as a group. In other words, FP has no editorial policy as such, or any ideas on anything as such.

And yet you said in your verbal statement that the reason you bought papers—or you wanted papers where they will carry some weight and have some influence.

Mr. Malone: Yes.

Senator Prowse: Now, this is as close as I was able to get it verbatim. What for?

Mr. Malone: Well, you may find it hard to believe, but we believe that newspapers do a service. I thoroughly believe in newspapers. It is an important thing, a national service.

Here Ottawa has a message. We were talking about Ottawa at that time. We negotiated with the *Ottawa Journal*, a Conservative paper.

To me it is very important that two competing newspapers are maintained here in Ottawa, the national capital. That to me overrides the responsibility of being Conservative or Liberal, or anything else. There are two competing points of view right here, getting into the affairs of Government. I think they should be provocative. They should be disturbing the thinking down here. And I think this is in the national interest.

Now, had we, say, said, "Well, the simple idea is to make money", we could have put our money elsewhere and made a lot more money than we are now.

Ottawa will grow. I think in time it will easily support two good newspapers here. There is not too much room at the moment. They are both doing, I think, a pretty good job. There is not much elbow room. But it is important for them to be maintained.

And when I approached our proprietors with the idea of having the *Ottawa Journal* join us, this was the point of view I put up to them. I said, "What about it? I can't guarantee that I can make a lot of money for you in this at all, but are you interested in this?"

They said, "Yes." They said, "It will continue as a Conservative paper."

I said, "Fine; as long as it is a good Conservative newspaper, that is fine. We will back it."

Senator Prowse: FP was not in existence and I do not think you had any relationship with them at that time, but as a result of your later association, do you remember when the *Bulletin* was sold out?

Mr. Malone: In Edmonton, yes.

Senator Prowse: Do you remember what the factors that led to that were?

Mr. Malone: Yes. I can't speak in exact detail but in general terms. Yes, economically they could not make a go of it. They were not getting enough advertising support. They were faced with very excessive union demands which they could not meet.

And they had to decide either to stay in business or fold up. And they could not finance it.

Senator Prowse: I don't want to appear to be cross-examining you.

Mr. Malone: That is all right.

Senator Prowse: And I realize you were not there. But let me just point out one or two things.

The strike was already over. And Campbell had sold the paper to Bell. And Bell ran through Vancouver, and he ran the circulation up from around 16 to 18,000, edging on to 30,000. And the old press just could not get it out in time to put it on the buses for the rural delivery.

Does this ring a bell with you? Have you heard this one?

Mr. Malone: Yes.

Senator Prowse: And if they were to then service the increased circulation they had they were going to have to buy a new press. And if they bought a new press they would need a new building. And if they got a new building the old linotype machines would not stand the move. All those factors happened.

Mr. Malone: They just simply could not finance on the advertising revenues they were getting.

Senator Prowse: And the press problem, the capacity of the equipment. Well, it was not losing money at that point.

Mr. Malone: It was very close to breakeven point. They had run the circulation up at some very considerable cost. They were then faced with "Can we get the equipment in? Can we meet the increases demanded by the union for increased wages?"

It simply could not be done.

Senator Prowse: There was a big capital outlay. He was not going to be able to get a good enough return to justify it in view of the alternative opportunities.

Mr. Malone: In a simple word, it was not a viable operation. If it was, I am quite sure Mr. Bell would not have folded.

Senator Prowse: All right. Let us come back to this business of, in your own words, you buy papers. You have not told us that you buy papers to make money. You have told us that you keep the two papers going and you contribute to keeping the two papers

going in Ottawa because you think it is important; and this is a national service.

Mr. Malone: Yes.

Senator Prowse: And when you were asked whether you would buy papers or not, you said you like to get into certain areas because you would have some influence. And I believe that statement.

Mr. Malone: Yes.

Senator Prowse: But I want to know what for?

Mr. Malone: I see your point.

Senator Prowse: How can you say that you are going to give complete editorial freedom to people, that you have no interest in what the fellow is doing in the way of editorial comment in the local field; but you, as a group, would be buying papers here, or some where, because it would expand your influence?

Mr. Malone: I think I can put it this way: it is not a question of influence; a certain philosophy or anything like that. We are just vain enough to think we can put out good papers; we can serve the community; we can serve the national interest; and that by expanding a thing we can make a contribution to the country.

I am talking in those terms rather than say, we want to influence them to be Liberal or Conservatives. That is the context in which I am talking.

Senator Prowse: The thought occurs to me if I had FP at my disposal and I had an argument with the Government, even though they were saying different things in different papers all across the country, they knew had the capacity to land on them with combined ton of bricks. That would represent some influence.

Mr. Malone: I do not think it is ever like to happen. It never has happened.

Senator Prowse: Has it crossed your mind?

Mr. Malone: I cannot think of an issue. No, it has never crossed my mind.

Senator Prowse: And it is not what you meant by "have some influence"?

Mr. Malone: Again this is a hypothetical question. I suppose you could get some tremendous national issue. I don't know. I really could not think of an issue. Say whether or

to go to war or not. I mean, some great national issue. You might conceivably say this is a purpose.

But there again it is really too hypothetical. I could not give you an answer on that.

But we have no thought of this and never have had, that we would use the influence of our papers collectively, or anything like that, in any way, shape or form.

Senator Prowse: All right. Now, Eaton's laid off 200 of their maintenance people and completely got rid of that department effective the 12th January.

Mr. Malone: Yes?

Senator Prowse: When did the *Globe and Mail* carry the story?

Mr. Malone: I could not tell you, Mr. Prowse might know.

Senator Prowse: We will ask him this afternoon.

Mr. Malone: I think the area you are touching on there is to what extent do the advertisers influence the newspaper policy as to what they say or don't say. And I touched on this for that reason in my brief.

That day has gone. I cannot think of an incident where there has been anything like this.

I am not saying advertising agencies, or anybody, do not approach us and suggest this or that. But the day when advertisers say, "You don't publish that in the paper or else"—I cannot think of an incident in the last 30 years where that has happened.

The instinct would be the reverse. The instinct of editorial policy would be to slap it on the front page to show their independence of the position.

Senator Prowse: Are you aware this has happened?

Mr. Malone: No, I was not.

Senator Prowse: You have never heard of it?

Mr. Malone: No. And I am quite sure it was no deliberate if it did happen.

Senator Prowse: Are you aware of the fact that Eaton's had laid off these 200 employees in Toronto?

Mr. Malone: No, I was not.

But how big an item is that? In every city right across Canada people are laid off—Winnipeg, Vancouver. I mean, is it a big item?

Senator Prowse: The idea I am getting at is this: you are publisher of the *Free Press*. And I think Eaton's has a pretty big store in Winnipeg.

Mr. Malone: Yes.

Senator Prowse: It was the whole centre of their operation at one time, I think.

Mr. Malone: Yes.

Senator Prowse: And there has been no directive gone out from your people to find whether a similar thing is contemplated there, where it would have some impact?

Mr. Malone: No, this did not happen.

If you asked Eaton's I would be very happy. If the head of Eaton's were here I am quite sure he would tell you there are many things that appear in our papers he does not like.

No, no, there is no attempt whatever. There may be a slip; I don't know. But there is no deliberate policy whatever.

I brought you down a couple of examples. I thought this question might arise.

Senator Prowse: Let us deal with my case first, and we will have your examples in a minute.

Mr. Malone: Right.

Senator Prowse: The Eaton's story was written first of all, I understand, for the *Telegram* and never appeared.

Mr. Malone: What was that again?

Senator Prowse: The story of the Eaton's layoff was first written for the *Telegram*.

Mr. Malone: Yes.

Senator Prowse: And the story never appeared in the *Telegram*.

No, the Eaton family have an interest in the *Telegram*. And I am not going to criticize somebody for doing something that I might just feel I ought to do myself.

It was a very small story that appeared some time later, apparently under pressure from some Guild boys who were doing the writing, that it got into the other two papers.

But nobody seems to chase this thing down. And yet everybody comes in here and tells us

that nothing is going to interfere with a news story.

And yet any employer who lets off 200 people today, would you not think that ought to be good valid news, particularly if this might be going to every other city?

Mr. Malone: The situation here I am not acquainted with. I don't know the individual story you have in mind, or the date, or anything else. But I can tell you without any hesitation that there is no policy of suppressing news under pressure of any advertiser.

If it was, I would take a very serious view of it—I mean, in terms of FP policy.

I can state no case. And certainly it has never been intentional. If it was, I would take a very active hand. You ask when would head office step in. That is a thing we would step in on.

Senator Prowse: This gets into the question of where you have a person who has the ownership and control of a newspaper but also has other business interests, which must be known to the publisher of his paper.

Mr. Malone: Yes.

Senator Prowse: For example, you would be well aware of Mr. Bell's other interests?

Mr. Malone: Yes.

Senator Prowse: Isn't that knowledge almost unconsciously going to come back to your loyalty to the general story?

Mr. Malone: That is a fair question. But, no, I have no worries on that score at all. Actually, it should work the other way almost.

I remember Mr. Bell was interested in, and he is on the board of the bank, he is on the board of the CPR, and various things. And invariably it happens that when he is at an important meeting one of our papers comes out and attacks the institution he is on, with no hesitation at all. And he says, "Did you have to do that to me today?"

Senator Prowse: Are you still kicking the CPR?

Mr. Malone: Yes.

Senator Prowse: Real good.

Mr. Malone: Before he ever went on the board we had a terrible editorial in the *Free Press* against the CPR. And it had no influence whatever. All our writers know that.

Senator Prowse: You are sure your editorial did not influence the CPR, though?

Mr. Malone: I hope it did.

Senator Prowse: Hopefully?

Mr. Malone: Yes.

I said I would give you a couple of examples.

Senator Prowse: Yes, please.

Mr. Malone: This is on the question of what is news, and a paper has to judge it. I don't know. You mentioned 200 people. Here is one story which appeared. There were two different stores that were both up on a charge of false advertising. They were both substantial advertisers of ours. One store was fined \$1,000, another was also fined for misleading advertising. And we slapped that right on the front page. So we were possibly throwing away valuable advertising. It went right on that page. We had no hesitation. We banged right in.

I think you will find actually right through the industry this is now the approach. It was not twenty-five or thirty years ago. And could not, quite honestly, tell you of an incident I know of where it has been suppressed.

Back in the thirties we had a little game in the press gallery. We watched very carefully what reports went into which paper; and drew our own conclusions. That was 1930. That was a long time ago.

I could not give you a single instance that I know of anywhere in Canada in any paper.

The day of the influence of the advertiser trying to pressure a paper is gone.

If even an advertiser would get to the point where he would say, "If you run that, I will cancel my advertising," well, we let him cancel his advertising. It is just as simple as that.

Senator Prowse: The situation is he needs you more than you need him?

Mr. Malone: No. I think it is the other way around.

Senator Prowse: No, I think I am right. You just misunderstood.

Mr. Malone: I think I can put it this way: papers now have sufficient independence and strength through advertising that they are able to do it.

Senator Prowse: I mean, you can get along without an advertiser. It is going to hurt you more than it hurts you?

Mr. Malone: That is right. We have other sources to draw on, and other advertising revenue.

Advertising revenue is what has made the papers free and independent.

Senator Prowse: Yes.

Mr. Malone: That is the truth.

Senator Prowse: It has to be.

Mr. Malone: Yes.

Senator Prowse: All right. Does FP send stories out? For example, did you write a story, or cause a story to be written recently about NATO which was carried in all the FP papers?

Mr. Malone: I have written on NATO, yes. It was not carried by all the FP papers. I don't want to correct you but...

Senator Prowse: It was carried in the *Globe and Mail*?

Mr. Malone: I think they carried it. But it is entirely up to the editors. Some papers may feel they want it—the same with any of our group. Say Bruce Hutchison writes an article. They may want to run it. There is no compulsion. If they want a story, and they see it, and like it, and they think it is good, they have the freedom to use it or not.

Senator Prowse: In other words, the group makes certain things available on an interchange basis?

Mr. Malone: The NATO story you are talking about, I was doing some writing on it. Some papers carried it. I think the *Colonist* carried it out in Victoria. Dick Bower said, "You are writing on it, let me have it." He is interested in it.

I think the *Globe and Mail* picked it up. But I cannot tell you which ones it went into.

Senator Prowse: But you put out no direction on it?

Mr. Malone: No direction; no suggestion whatever.

Senator Prowse: What common services does the group provide for the papers aside from the right of an exchange of and access to technological change and innovation?

Mr. Malone: Not very much.

Senator Prowse: The editorial end I am particularly interested in.

Mr. Malone: Yes. Certain writers we make available to all the papers on a take-it-or-leave-it basis. The papers have their right to do it.

Take Maurice Western: Maurice writes out of Ottawa, a certain type of copy, not spot news but an interpretive type of thing.

Senator Prowse: In depth.

Mr. Malone: Now, any of our papers that want it, they are at liberty to have it. Some do and some don't.

Senator Prowse: So the group does not provide that kind of thing.

Mr. Malone: No. There are few areas that we do have a common service. We make it available, but we don't say, "Here is the service; you have got to take it." There is none of that.

Senator Prowse: The advantages the group provides, then, are these: technological information, set-up and financial backing. Would that be correct?

Mr. Malone: Yes, and a degree of co-operation in the editorial field. Somebody has a scoop on a story. I would hope they would pass it on to the other members of the group.

Senator Prowse: The group does maintain a bureau in Washington? Or do the individual papers have it? Or do you have both?

Mr. Malone: They have both. We operate a bureau, but they are independent members. There is no manager of a bureau as such running it.

Senator Prowse: I see.

Mr. Malone: Here in Ottawa the members vary. I don't know. I suppose we might have fifteen, sixteen people here at different times. It goes up and it goes down.

We have a couple here from the *Vancouver Sun*. There is one from Winnipeg. We have one covering the Calgary and Victoria papers.

When I say that, they have somebody they can get in touch with for a direct query. They have a direct responsibility to them. But they also have an obligation to pool their information and knowledge to the benefit of all of us.

Senator Prowse: One of the smaller papers, of course, is the *Lethbridge Herald*.

Mr. Malone: Yes.

Senator Prowse: What services would they get from the group that way? Now, please tell me specifically, not hypothetically.

Mr. Malone: They would have access to anything that comes out of Ottawa, out of any of our writers. They would say, "We want Maurice Western or Bruce Hutchison."

Senator Prowse: They can get anybody they ask for?

Mr. Malone: Yes.

The Chairman: When you say "anybody," could they get George Bain?

Mr. Malone: No. You are getting into a different area. He is a specialist writer.

We have a philosophy that we want an individual character for each of our papers. We don't want the *Vancouver Sun* to look like the *Free Press*, or the *Free Press* to look like the *Globe and Mail*, or anything like that.

To do this you cannot have every writer appearing in every paper. They would all look the same. We have tried to preserve some identity.

For example, George Bain; you mentioned him. George Bain's articles have appeared the odd time in the odd paper. I would be disturbed if they were appearing every day as they were in the *Globe and Mail*. They would all look like the *Globe and Mail* after a time.

Do I make my point clear?

The Chairman: Yes.

Senator Prowse: Just to make it clear to me, the point is that if I were to buy the *Globe and Mail* in Toronto—suppose I was taking that regularly—if I arrived in Winnipeg and happened to pick up the *Free Press* I would not immediately think I was at home with my same paper. Is that what you are telling me?

Mr. Malone: To go back to your original question about Lethbridge; this is where it has a definite benefit. The paper in Lethbridge is not a large paper. They are limited in the amount of news columns they have, and so on.

By coming into the group operation they can draw on a couple of men in London, two or three men in Washington. They can draw on their own direct contact here. And they can pick up, as I say, Weston, Hutchison, or

Joyce Fairburn. They could not possibly manage that on their own. They could not afford it. They would have to pay somebody part-time service here.

Let us take another instance. Let us say there is a meeting out in Vancouver, an important meeting. The *Lethbridge Herald* could not afford to send a correspondent the way out to cover it. Now, all they have to do is to get on the phone to the managing editor, and say, "Could you send us a duplicate of it, please? Have you got a good man covering that?" That is a great advantage.

They may not be able to carry much space on it, but it is a tremendous range. They can go to anywhere in the country to get this

The Chairman: I have one more question on the point of George Bain. Do I take from your answer that the *Winnipeg Free Press* would then look like the *Vancouver Sun*; the *Vancouver Sun* would look like the *Globe and Mail*, and so on—do I take from that you think there is no place in Canada for national political columnists?

Mr. Malone: Oh, yes. We have them.

The Chairman: Which ones?

Mr. Malone: Mr. Fisher.

The Chairman: But in FP Publications?

Mr. Malone: Yes. Again you get into the thing: are you forcing a national columnist?

I would rather have—well, Maurice Western, Bruce Hutchison, they both write nationally, as it were.

The Chairman: I subscribe to the *Globe and Mail*. I very seldom read Mr. Western's columns in the *Globe*. I cannot recall reading them. There has been the odd column by Bruce Hutchison, not on a regular day-to-day basis.

I quite appreciate this is the kind of question that I can ask the Southam people next Tuesday. But you would think in 1971 there would be no room for someone like Charles Lynch?

Mr. Malone: We do emphasize the different character of our papers. If the *Globe and Mail* wanted any of our other writers, they are at liberty to pick them up, if they think, "Here is a particularly good piece." They have picked up some of them.

The Chairman: Yes, but on a daily column basis?

Mr. Malone: No. It is up to the editor, if they want to build the character.

The Chairman: Supposing the editor of the *Vancouver Sun* were to say, "We would like to have George Bain every day."

Mr. Malone: The *Globe and Mail* would not feel too happy about it. Neither would I. I don't mind the odd one. But I would say are you going to downgrade the individual character of the *Globe and Mail* in the process?

The Chairman: Why would the *Globe and Mail* be so unhappy?

Mr. Malone: They are rather jealous about their writers. Each of our papers is.

The Chairman: They perhaps do not have any subscribers in Vancouver, though.

Mr. Malone: Oh, yes, there are quite a few, or the "Report on Business."

Senator Prowse: Let us suppose George Bain's articles are written because he knows this is in the *Globe and Mail*. He writes with that particular thought in mind. Where we have problems in Canada today—and I won't put it into the whole question of "western separatism," at this moment anyway—might not be a useful thing to let the people in the west see what is the daily fare of the people in Toronto in the way of expressions of opinion, and at the same time, vice versa, let the people in Toronto (and in my opinion this might be a lot more important) have the daily fare of seeing what is the important thing to the people in the west?

Mr. Malone: We make an effort on that. And I agree with that.

That is one of the reasons we opened a Quebec bureau. At the moment we feel it is very important for Western Canada to really understand some of the motivating forces in Quebec.

Senator Prowse: Are they going to buy wheat in Quebec?

Mr. Malone: No. But it is a very important thing for this country. Most of our papers rely, through Canadian Press, a solid page of editorial opinion on Quebec Province once a week.

If you ask me how many people in Winnipeg read that, I could not tell you. But I think it is important it should be there.

Senator Prowse: There for them.

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Mr. Malone: We make quite an effort on that.

But you get into this other area. We don't go out to make writers national columnists as such. We make them available. We do want to preserve the character. The *Globe and Mail* is the *Globe and Mail*. The *Free Press* is the *Free Press*. But that does not say we do not try to encourage some degree of co-operation on the stories.

If one man is available on the spot, it doesn't matter who he is, he tries to cover for all of us.

The Chairman: But not on a feature basis?

Mr. Malone: No. You are getting a specialized writer who gives a character to a paper.

George may be here this afternoon. He is a specialized type of writer, shall I say?

The Chairman: He is.

Mr. Malone: He has a peculiar flair, and so on.

Senator Prowse: All right. About the question of staff; how do you recruit? What is the general picture? Is this on an individual basis? Or do you provide it as a group—provide any assistance to papers in obtaining staff?

Mr. Malone: Yes, to some degree.

Senator Prowse: Could you explain that for us?

Mr. Malone: Yes. I am visiting the papers very frequently. They are in touch with me by telephone. And they say, "We need another mechanic" or "We need so-and-so. Do you know of a good one?" And someone says, "We are short of a desk man do you know of a good desk man?"

And I canvass them, and have a list on me. Say I am down in Lethbridge and we have a young chap here who has got a little back-ground and wants to get to a bigger city. I would rather promote him in my own organization than have him leave us. Because we have put some time into him.

We try to help each other that way in all departments, advertising including. We are moving them around. In the last few weeks we moved an advertising man from Toronto to Victoria. They needed an advertising man.

I canvass my own group first and give them an opportunity.

Senator Prowse: How about on the editorial staff?

Mr. Malone: Oh, yes.

Senator Prowse: Do you kind of use the smaller papers as a farm club to get them ready for the big league?

Mr. Malone: I would like to do that more than we are doing. It is not too easily worked out. But there is a fair amount.

In the *Globe and Mail* I could name two, three, four people who have come from the *Free Press*. We have people out west in Winnipeg who have come from the *Albertan*. In Victoria we have got people who came from Winnipeg. And the *Vancouver Sun* have people who have come from Winnipeg.

There is a fair amount of it. And we try to encourage it.

Senator Prowse: What about the journalism schools in Canada; have they been a fruitful source of supply for you?

Mr. Malone: They have been helpful, yes, and increasingly so. There are more journalism schools developing in the country. And I think they are doing a better job.

I think all of our papers arranged to get students on in the summer so we could have a look at them and give them some practical application.

Senator Prowse: You do that, do you?

Mr. Malone: Yes. The journalism schools often ask our people to lecture. And we participate any time we can. If we have a man who can go out and help them out and give a lecture, we do. They are doing it in Calgary. Peter Heffer goes and lectures on it. We do it in Winnipeg. We try to keep a pretty good liaison.

There is an excellent liaison here in Ottawa with the schools of journalism and the *Ottawa Journal*. I am sure both papers, the *Citizen* and the *Journal*, have students from Carleton in the summer.

It is an increasing and improving field for recruiting, yes.

Senator Prowse: What kind of business arrangements—I am not asking how much you pay them at all, but what kind of business arrangements do you have when you put a man who is a publisher of one of your papers—the chain owns a paper and, I don't know whether you use the term "publisher" for him or whether you use the term

"managing editor," whatever it is—what arrangements do you have with him? Is he on a day-to-day basis? Or is he on a term contract, or an open-end contract, or what?

Mr. Malone: He is on a straight salary, a employee.

Senator Prowse: Subject to termination or normal business practice?

Mr. Malone: That is right. But if he has been with you a long time, you have a greater obligation to him.

Senator Prowse: Yes, this would be your moral feeling about a person.

What I am getting at is the thing earlier where we discussed that where you have selected a man as an editor for a particular paper, and let us suppose he did jump the hoop on you and decide he was going to take a line on something that was completely opposed to what they had done. Let us go a little further and make it simpler for you. Let us suppose the circulation started to fall off rather quickly as a result of his switch.

Would you hesitate to fire him under those circumstances?

Mr. Malone: I would have to know the circumstances. We have never done it.

Senator Prowse: I gave you a pretty good set of circumstances to deal with, Mr. Malone.

Mr. Malone: Yes. I don't doubt that our own circulation department in Winnipeg would be happy to fire me. Last week I wrote some things and we immediately got a lot of snow.

Senator Prowse: They can't can you.

Mr. Malone: But I would say no, the fact that somebody does not like your editorial policy and they cannot fill their subscription, this is a normal part of the business.

If the paper is going to pot, that would be a different thing. You would have to move in.

This has never happened. And it is pretty hard to guess what you would feel. It would be depending on the individual: how long he had been with you; what his age is. But certainly if the paper was not doing its job and falling down, you would have to change it. There is no doubt about that.

Senator Prowse: You would have to change it; and the power is there.

The power is also there, is it not, for you to give them editorial direction if you so decided that you should change your policy in that regard—because what could they do to protect themselves?

Mr. Malone: I think quite a few of them might quit. I would never attempt it. I have ever done it.

Senator Prowse: That is all they could do?

Mr. Malone: Yes.

Senator Prowse: And presumably you could find somebody else.

Mr. Malone: But it is not in our philosophy to ever give direction.

Senator Prowse: I am not suggesting you do, or would.

Mr. Malone: That is right.

Senator Prowse: All I am dealing with is the protection, that the power is there every day, is it not?

Mr. Malone: Quite right, yes.

Senator Prowse: Thank you very much.

The Chairman: May I just ask you a couple of questions, and then I will turn to the other senators?

I will perhaps ask the gentlemen concerned next week—but in your opinion could the *Tribune* in Winnipeg survive if it was an independent?

I thought you might say to ask Mr. Balfour.

Mr. Malone: I think it could in the particular circumstances there are in Winnipeg.

The Chairman: All right. Let me then ask you, do you think that the *Albertan* could survive in Calgary if it was an independent?

Mr. Malone: It would be difficult.

The Chairman: Would it be possible?

Mr. Malone: I don't know. It would be very questionable. It is in the morning field, and not getting retail advertising.

Let us assume we come into a recession the coming year, and their advertising is slashed very sharply, and they do not have the natural resources to back them. The power might feel he would have to close up.

If you had a recession this year, with the newspaper operation I am quite sure we would be prepared to carry it through for a while.

The Chairman: For how long?

Mr. Malone: Well, how long is "long"?

The Chairman: You said a few minutes ago the competition in Ottawa between the *Citizen* and the *Journal* is rugged. I think that was the word you used.

Mr. Malone: I think that is a fair expression.

The Chairman: I think it is, yes.

Do you think the competition in Winnipeg between the *Tribune* and the *Free Press* is as rugged as the competition here in Ottawa?

Mr. Malone: Yes, I do.

The Chairman: Do you think that the competition in Calgary between the *Albertan* and the *Herald* is as rugged as the competition here in Ottawa?

Mr. Malone: I would say they are both fighting very hard, yes. I would think it is. It is a more lopsided thing here. They are not in directly competing fields.

In Ottawa there are two evening papers; Winnipeg, two evening papers. Now you have a morning and an evening combination in Calgary. They are not selling quite as directly opposite each other. But there is very real competition up there.

The Chairman: So you think the competition is real in Winnipeg and in Calgary?

Mr. Malone: No doubt in my mind. You should talk to my advertising manager about this.

The Chairman: The reason I put the question the way I have is that we have received representations which would indicate that the competition in those cities, in the opinion of some people, is not as real as the competition here in Ottawa. And I am interested to have your comment. And you have given it to me. So thank you.

I would like to ask just one more question before I turn to one of the senators.

You said at page 13 in Section 25 of your brief—you are commenting that I said (I think it was the original speech I made in the Senate):

"... there was some confusion or mystery as to just who owned and directed the newspapers in Canada."

And you said "There is no mystery about this. This information is readily available to the public."

Mr. Malone: Yes.

The Chairman: You then went on and said:

"The names of our various editors, publishers and managers are also on record" and so on.

Do you think, Mr. Malone, that the average reader of the *Globe and Mail*, for example, is aware that the *Globe and Mail* is an FP paper?

Mr. Malone: I think anybody who is interested in it—if they are interested in the ownership of a newspaper, yes, they would know it.

The Chairman: Do you think they should be interested in the ownership of a newspaper?

The Chairman: But do you think then, that being so, that the *Globe and Mail* assists them in being aware of that ownership?

The point I am making is that I look at the masthead of the *Globe and Mail* from this morning:

"The *Globe and Mail* Canada's National Newspaper is published every weekday at 140 King St. W., Toronto 110, by The *Globe and Mail* Limited. The *Globe* founded 1844; The *Mail* founded 1872" Cable address Toronglo. Telephone 368-7851

"R. Howard Webster,
Chairman of the Board.

James L. Cooper,
President and Publisher.

Earle B. Richards,
Vice-President and General Manager.

Richard J. Doyle, Editor.
Thursday, January 22, 1970"

Would it not be in the public interest to include on that masthead somewhere a reference to the fact that the *Globe and Mail* is an FP publication?

Mr. Malone: It might be. I don't think it is a factor.

The Chairman: You don't think it would be in the public interest?

Mr. Malone: No. I see no point one way or the other. It is well known in every association, every advertising group, it is published by FP Publications—anybody who wants to

know. I don't think it is a factor one way or the other.

The Chairman: What would be wrong with putting "FP Publications" on there?

Mr. Malone: Nothing at all. If I thought there was any advantage of doing it, I would do it.

The Chairman: May I express a personal opinion—I am not expressing the Committee opinion—yes, I think it would be in the public interest.

Mr. Malone: Well, we might take note that.

The Chairman: I do not think the readers of the *Globe and Mail* realize it is an FP publication. And I am sure the *Globe and Mail*, as has appeared in their brief (we will deal with this this afternoon) is not ashamed of the fact it is an FP publication.

Mr. Malone: Not at all.

The Chairman: You are not ashamed of the *Globe and Mail*?

Mr. Malone: Certainly not.

The Chairman: I am not speaking for the Committee. This is my own opinion.

Mr. Malone: No, the thought never even occurred to me.

The Chairman: May I turn to Senator McElman?

Senator McElman: In order that I can establish my priorities, is it understood that Mr. Malone will be here this afternoon?

The Chairman: The schedule for this afternoon is the *Globe and Mail* at four-thirty, the *Journal* at three-thirty. We have the *Winnipeg Free Press* at two-thirty.

And I think that, instead of making the two-thirty presentation a separate presentation on the part of the *Free Press*, we will simply carry on as we are now through the particular time, if it is necessary. If we come to deal with the *Journal* and the *Globe and Mail* earlier than that, we will.

But with the forebearance of the witness, we would like you to come back at two-thirty.

Mr. Malone: I will be available. I will be sitting on the side. I am here all afternoon.

The Chairman: At three-thirty we will turn to the *Journal* and at four-thirty to the *Globe and Mail*.

Does that answer your question?

Senator McElman: Yes. Thank you very much.

At page 48, Section 93, you refer to the Albuquerque model" in your reference to the agency type of operation. Could you briefly explain what is the Albuquerque model?

Mr. Malone: What I am dealing with there is this development—I think it started in the United States—of the agency type of operation. There is a great number of variations in

Let us say for example there are two newspapers and they say "All right, we will use the press facility, one stereotype facility."

Senator McElman: I understand that, sir. I am getting at the Albuquerque model, the original.

Mr. Malone: As I understand, that is the basis where they have a separate mechanical department. It prints for this paper, and it prints for that paper, and charges them both for their respective share of the cost. It costs so much to produce a press plate. They produced twenty-four of these for that paper and they charge them on that ratio.

It is a separate mechanical function. It does the work, charging the actual out-of-pocket expenses. That was the basis.

As I tried to indicate, there are many variations of that. You might have a paper here, one paper owned two papers, but they will contract out the editorial function to a management team completely different, and abdicate all responsibility for the editorial policy. So that the other group will have separate news services, separate reporters, separate editors, and they will say "We will contract and run that editorial department only"—either for a fee or on a profit-sharing basis, whatever it is. That is another variation.

There is another variation out in Vancouver where on the basis there the central company owns the two. And in that case they share expenses. They proportion them out again.

There has been a book published on this—I am afraid I cannot tell you the title of it—on the many variations. But they are all based on this original form developed at Albuquerque,

where a central plant did the mechanical job for two separate newspapers.

Does that answer your question?

Senator McElman: Yes.

I take it from your further comments that in principle you do not think this is a bad thing in any sense?

Mr. Malone: I beg your pardon?

Senator McElman: I take it in principle you do not think this is a bad thing, that it is a trend?

Mr. Malone: It has its advantages and it has its disadvantages. If it were possible, I would say it would be better to have two completely separate organizations. But in the circumstances surrounding that particular case, I think it is perhaps the best way.

Senator McElman: Currently there is one such in Canada; is that correct?

Mr. Malone: Yes. That is the only one I know of. Yes, that is right.

Senator McElman: It is a trend apparently developing in the United States. Do you see a trend perhaps coming for Canada in this respect?

Mr. Malone: It could be. It depends entirely on the economic development.

If competition is such for advertising revenues and so on that it meant that there was not going to be room for two or three papers in a town, it might force us into that. I would hope it would not. But, if it does, I would think it would be preferable than having only one paper in a town. At least you would have competitive editorial voices.

Senator McElman: I want to carry this through. It could be a means of maintaining independence and a break of the extension of chain or group ownership.

Mr. Malone: I don't think it would necessarily break chain ownership.

Senator McElman: I mean, the extension of it.

Mr. Malone: The extension of—yes, that could be. I would see this possibly developing in the circumstances.

You see, here is a city, and there obviously was not room for two or three papers. And you say, "Now, what is the alternative?"

Either they fold up and go bust, or the other paper buys the other one out, or they attempt to maintain competitive voices through some agency arrangement.

I cannot forecast with a crystal ball what the next five or ten years will bring. But if cable or something forced the situation, we may be pushed into that area of thinking. And to me it would be preferable than seeing a paper close right down.

Senator McElman: Yes, right.

You have expressed yourself on concentration and multi-media ownership. I don't think you dealt with ownership of media by conglomerates to any degree.

There are developments both within this nation and the States whereby conglomerates whose interests outside the media area are very extensive—the media element of the conglomerate is minimal relative to the total picture; their principal interests are elsewhere...

Mr. Malone: Yes.

Senator McElman: What is your feeling about this trend?

Mr. Malone: I would not like to see newspapers, either groups or individually, in conglomerates where it was a secondary consideration.

Here our proprietors have outside interests, some substantial outside interests, but our primary function is still the newspaper.

Maybe this is a biased view of a newspaperman. I would hate to see that ever subordinated to some other great complex of shipbuilding or something like that. I would not ever want to be a factory operation.

Does that answer your question?

Senator McElman: Yes.

At one point in your testimony you exhorted Government, I believe, not to place any restrictions on who can own a newspaper.

With the danger of the conglomerate situation in mind, just as an example, would you be opposed if somewhere in the structure there were a body before which there were held public hearings prior to a sale-purchase agreement being confirmed of a newspaper, similar perhaps to what the CRTC is doing in broadcasting?

Mr. Malone: I would be very opposed to that.

Senator McElman: How, then, would the public interest be protected to prevent stock conglomerates, at the national level or international level, from picking up stock newspapers?

I am thinking of the ITT/ABC case in the States—you are probably familiar with it—where finally the Justice Department stepped in and said, no, ITT will not gobble up ABC as well as what they already have.

Mr. Malone: I would think there could be a point developed—I am hoping it won't, and don't see it at the moment, but theoretically you could reach a point where the Government would be justified in stepping in.

There was a charge, you remember, prior to the war that German influence had a very substantial backing in the French newspapers. Where national security is involved, I would say if that did exist and it has been written about for some time, the Government would be justified in stepping in to the ownership.

I do not see this happening here. I would hope it never would happen.

But if the national interest was at stake, if the newspapers through the Combines Investigation were acting against the public interest, yes, it would be justified, in my view. Else I would hate to see it unless it was warranted and clearly needed.

Senator McElman: We currently have, of course, the Combines Investigation legislation.

Mr. Malone: Yes.

Senator McElman: But it clearly does not apply in the sort of situation I am speaking of where such a purchase might be in the making. It does in the United States.

I was just trying to get to, do you think that this would be a wrong intervention by the state—by any state?

Mr. Malone: If in extreme circumstances, no. I would hope it would not, but it could happen. I am talking theoretically now. This is a hypothetical question again.

Say the Mafia moved in and bought up the newspapers of Canada. I should say certainly the Government should step in in whatever way they could—whether they had to pass new acts or not, or whatever they wanted—there was any danger of that type of thing.

Senator Prowse: Suppose there is not a law that would allow them to really step in at this stage.

Mr. Malone: No existing law, you mean?

Senator Prowse: Yes.

Mr. Malone: I would say Parliament would be entitled to pass laws.

Senator Prowse: Would you think we ought to anticipate a situation like this and be ready for it?

Mr. Malone: No, I do not.

Senator Prowse: You mean, we are going to let the dog bite and then close the door after the horse has gone—to get my metaphors mixed?

Mr. Malone: Surely you pass laws to deal with existing situations. If you pass laws in case something might happen—That situation does not exist in Canada.

You asked me my opinion, and I say if the circumstances got to that extreme, I would say yes, the Government should step in. But his situation does not exist in Canada. And in my opinion it is not likely to.

Senator Prowse: You put in your articles of association a provision—not that anybody was doing it at the time, but that only a Canadian citizen could take the shares of FP.

Mr. Malone: We were looking 50 years ahead, I hope.

Senator Prowse: Would it be wrong for government to look ahead, if it is good for business?

Mr. Malone: You may recall that at one time the Government had in mind taxing advertising of foreign owners. When that first came up we were very concerned about it. And I saw the Prime Minister at that time. And I said I felt this was wrong. I said, "If you are worried about it, this is something the newspapers themselves should be worrying about."

And I talked to our proprietors at that time. But that was what precipitated it.

Senator Prowse: Yes.

Mr. Malone: In my mind there is no question that I myself or our proprietors would never sell out to anything against the public interest, or foreign ownership, or anything else.

But I said, "If you are worried about it, don't put a government regulation in; we will

do our best ourselves. Let us ourselves defend this position."

To me I don't think the Government should step in except in most extreme cases.

The Chairman: When was it that the Government had a tax on advertising in mind?

Mr. Malone: It was under debate here in the House. I don't remember when it was.

Senator Prowse: Well, you have the income tax, which is the reverse situation now.

The Chairman: I was wondering what Mr. Malone had in mind when he said that.

I suspect what you had in mind was the paper delivered at a Liberal convention. That is a far cry from the House. This is a minor point.

Mr. Malone: You are quite right. It was a matter of some active discussion to the country at the time.

The Chairman: Senator McElman?

Senator McElman: There is one section of your brief that I would just like to clarify. It is at the bottom of page 34 on to 35. Dealing with press councils, you say:

"I suggest to you that just because they have a press council in England or that all the newspapers in Canada do not publish all the government handouts or promote government policies, it does not necessarily follow that we should have a press council in Canada."

Has there been any suggestion from any quarter that any thought of a press council originated from the fact that newspapers do not publish all government handouts or promote government policies?

Mr. Malone: I said earlier in my brief there and verbally this morning that what might be considered a good paper and a paper doing its duty and responsible in the view of a reader or the public generally might be quite different from what a government or legislator might think.

He would say, "Well, you did not cover my speech properly. You did not do this and that" and that type of thing. This is a natural thing.

We are here to serve the public. In the views of government they may feel the paper is falling down and criticizing: they don't understand; they don't publish this or that. But this is a natural state of affairs.

And my thought there was that government is traditionally critical of the press; and the press criticizes them. I would hate to see that used as a reason for setting up a press council, saying, "Well, we are not getting very good coverage across the country. Therefore we will have a press council and get better." That is really what I was trying to imply here.

Senator McElman: There was no interference, then?

Mr. Malone: No, not as such. But I would hate to see that develop in the Government's mind: they saying the press is being critical of us and we will fix it by having a press council.

Senator Prowse: Would you think that of us?

Mr. Malone: I have not met a member of the Legislature yet who is happy about the newspapers.

Senator Prowse: But we have learned to live with it.

The Chairman: Where was that quote from, Senator McElman?

Senator McElman: Starting off at the bottom of page 34, Section 73, and on to page 35.

The Chairman: I am not sure that you directly answered Senator McElman's question. Because I must say when I read that section I took from it that you were suggesting there was some form of government pressure for a press council because the papers are not promoting government policies and so on. And I think we should make it perfectly clear on the record that you did not suggest that.

Mr. Malone: No.

The Chairman. It is a hypothetical suggestion. You are saying, if that happened.

Mr. Malone: I wonder if I could amplify it in this way. We have often been criticized from government sources that we are not using government handouts, and so on. And what I am trying to say is that I hope that would not be taken as a reason in the Government's mind as to why we should have a press council. That is all I am saying there.

It does not matter what the department is. They have their PR departments; and hand

out releases. And our editors have to judge what is the news of the day. There might be great demand, and they can only give up this much space.

The Chairman: I am not quarrelling with it. I am simply saying I think it is important for the members of this Committee to have it on the record that there has been no pressure from the Government for a press council on this basis.

Mr. Malone: None whatever, no. I am simply saying I hope that would not be taken as a reason for a press council.

The Chairman: I understand.
Senator McElman?

Senator McElman: Any more than there has been no pressure from the CMA because you do not carry all industry handouts?

Mr. Malone: The Government have a bit more power than the CMA. That is what is worrying me.

Senator Prowse: That worries the CMA too.

Senator McElman: Just a matter of interest: there appears to be an aversion to the use of the word "chain" as opposed to "group." Is there a sensitivity here?

Mr. Malone: No. I have not got it. I have noted that, too. Somebody made a remark here yesterday on that. I was here for a few minutes, and they brought that out. I have views one way or the other.

Senator McElman: In your testimony today you suggested, "We collect and sell news." Does this denote a different philosophy from that expressed by Mr. Blackburn yesterday that the newspaper is hired by the public as an agent to collect and disseminate news?

Mr. Malone: As an agent for collecting news—I would not put it quite in that interpretation.

I think I know what Mr. Blackburn is saying there—that we are an agent for the public to collect and distribute our news.

I have looked at it differently, in this way, that our product is a newspaper, news, and we collect it and we sell it. That is our business.

As a means to do that we also sell advertising. And the revenue from advertising makes it possible to put out a paper and sell it

news. It is a means to an end, and a tremendous means to an end. It means life and death to us, and our freedom.

But our primary product is to collect and sell news to our readers. And we have got to produce the kind of news, or mirror events that are going on, that they are prepared to put up ten cents each day and buy it. We must answer to them. And if you don't put out the product they want they won't buy your paper. That is our primary business.

Senator McElman: Thank you.

The Chairman: May I ask you, Mr. Malone, in Section 103 on page 52, and I quote:

"I would add that we must also guard against any trend towards 'permissive' reporting in our permissive society."

You made reference to that this morning. I am not clear what "permissive reporting" is.

Mr. Malone: Put it this way: here I think you would all agree certain standards, morals, whatever it is, there is a certain permissiveness in our society today which has developed, I think, in the last five or ten years—to disregard them, it is not important, and so on.

I would hope that this easy-going in the matter of principles and facts, would never seep into our papers. Facts are very real, very sacred things to us. I do not want somebody to say big, wide, sweeping things; and certain principles and standards—they don't count any more.

The Chairman: What is "permissive reporting"? I understand a "permissive society." In other words permissive reporting then (and correct me if I misunderstand you) is simply not reporting the facts?

Mr. Malone: I don't want to appear a square in this.

The Chairman: No, and I am not quarrelling with you.

Mr. Malone: But I give you a simple example. With younger people today four-letter words are very common. Now, do we reach a point where four-letter words are acceptable or permissible in our papers?

I would hate to feel that was the kind of thing we were putting out. I don't want to see this trend. I may be old-fashioned, but I still believe that we have certain principles and means of reporting that we follow with accuracy, and we don't get into this area that anything goes.

Senator Prowse: Or a series on the art of seduction?

Mr. Malone: That is right.

Senator Prowse: Which appears in some newspapers.

The Chairman: May I quote from Section 52:

"A television program must hold a mass audience at all times. It cannot afford to put any pictures or words on the air if they are not generally acceptable to a majority of the watchers."

I meant to preface my question by making some reference (and I hope I am not being unfair here; and, if I am, please correct me) to the Winnipeg Free Press tradition of, shall we say, if not being critical, at least being a watchdog of the CBC.

But isn't that particular sentence a justification or a rationale for the CBC, because they can afford to put pictures or words on the air if they are not generally acceptable to the majority of the watchers?

Mr. Malone: I wonder if they can really. The CBC must be conscious of their rating, or aware of their existing audience, as well as any other station, any independent station. If they had a huge subsidy and nobody is looking at them, that subsidy would not be justified.

The Chairman: Do you not think the CBC does, at times, put on programs which do not have a majority appeal?

Mr. Malone: Yes, they do.

The Chairman: Do you think that is in the public interest?

Mr. Malone: To some degree, yes. But it is a question of how much, and how big a subsidy is justified.

The Chairman: I would also like to turn to page 9, Sections 18 and 19:

"It has sometimes been suggested that big advertisers have a secret and sinister influence on the policies of newspapers."

Who made that suggestion, Mr. Malone?

Mr. Malone: This is a very frequent charge that we get. Sometimes you get it from readers. But it has been a fairly common view.

Are you saying the suggestion here is that your Committee has said it?

The Chairman: No.

Mr. Malone: No. It never has.

The Chairman: No.

Mr. Malone: But this is a commonly accepted view. I am sure you have all heard it—that big advertisers have an influence, yes.

Senator Prowse: A popular misconception.

Senator Beaubien: We had a case about Eaton's this morning.

Senator Prowse: That was a little different. I was not suggesting an advertiser; I was suggesting managerial concern.

The Chairman: Also in Section 19, the first sentence again:

"It has also been suggested from time to time that because newspapers enjoy a wide freedom and carry a grave public responsibility they should be licensed."

I would ask you the same question: who made that suggestion?

Mr. Malone: That is again a concept...

The Chairman: Do you hear that suggestion made as frequently as the suggestion in Section 18 about the big advertisers?

Mr. Malone: No.

The Chairman: But you do hear it from time to time?

Mr. Malone: Oh, yes.

The Chairman: I would be interested in knowing who has made that suggestion. I am talking about No. 19 now.

Mr. Malone: Generally somebody who is very annoyed with you.

The Chairman: I see.

Mr. Malone: They say, "You people should not be allowed to publish; you should have a licence," and so on. We get this thrown at us.

The Chairman: I have only one other question, and I am going to turn to Mr. Fortier.

In Section 18 you said that the policies of all your papers "often run directly against the grain of the interests known as Big Business."

Now, give me several examples of recent interest where you're ..

Mr. Malone: I could pick almost every day of the week that some of our papers are attacking big interests.

The Chairman: You don't say your editorials; you say "policies."

Mr. Malone: Take the—one at the moment I have not checked our papers, but I would say almost all of our papers have given the very extensive coverage. I know what we said in the *Free Press*. And this is very current. You asked about current ones.

I could go back almost every week, and you will find that our papers are attacking what they conscientiously feel is any bad influence of big business.

The Chairman: Would you comment on the quotation I am going to read? It is from the July, 1969, issue of *The Canadian Forum*, by Desmond Morton. He says:

"The ownership and control of the media in Canada is clutched tightly in the grip of our economic elite."

And then he goes on:

"It does not matter whether the *North Bay Nugget* belongs to Roy Thomson, Max Bell, or a local drive-in merchant. They are all without a single exception in the same kind of hands. They all belong to the Canadian business community. And they all do what that community wants."

I would be interested in your comments on that.

Mr. Malone: No, I don't think I would agree with that.

A paper must mirror the society that serves. I mean, it reflects what is going on in that community. It is a part of that town. And they have a responsibility. And the people in that town, it is their paper to that degree.

But to say that it does not matter who owns it, I don't agree with that at all. It does make a difference who owns it, if a man is seriously interested in producing a good paper and is working at it. There may be good owners and bad owners. It can make quite a difference.

The Chairman: He says they all belong to the Canadian business community. I think that is a fair statement.

Mr. Malone: Fair enough. Some do; some don't.

The Chairman: He says they all do what that business community wants. And you would not agree with that obviously?

Mr. Malone: No.

The Chairman: Senator Sparrow?

Senator Sparrow: You referred, Mr. Malone, earlier in the conversation that you would not see any need for government action or legislation before a problem arises. On page 50 at No. 97 you say:

"Before any more Canadian dailies get into economic difficulties or are silenced for economic reasons, some action would be prudent in the public interest. Action should be taken before it is too late."

In view of your previous remarks, you are suggesting action, and I am assuming it is action by government at this particular point. Is this in fact what you are recommending here? And what in fact would you recommend as far as assistance is concerned?

Mr. Malone: You are talking of two different actions. In the first instance, what we are talking of, as I understood, is whether you would license papers or have to get the permission of the Government? That was the question of the Government I was talking about here.

In this instance here I think that the Government would be entitled to study something about the agency operation. They are studying this in Washington at the moment. They are faced with exactly the same problem: is the agency operation good or bad? Are you going to permit them? Is this permissible under the Combines Act?

I would think the Government would be entitled to study that if they are concerned that there is going to be greater mortality of papers in Canada; they are going to disappear. I think they might well study that area.

Senator Sparrow: Have you particular recommendations on this point?

Mr. Malone: No, I have not. But I think the Government should give it very serious consideration; if there are economic developments here where more papers would disappear, that they should say, "How can we preserve independent editorial voices?"

They are studying that in Washington, and I would hope the Government here would keep in touch with that.

Senator Sparrow: In other words, this Committee or the Government should not be ignoring the newspapers as such; and committing such as this should be playing a valuable

part so far as looking to the future of this industry is concerned?

Mr. Malone: Yes. I would hope this Committee, quite apart from the aspect of studying whether the newspapers are doing their job or producing the right kind of paper—I would hope you would also put equal time into how do we preserve an independent press in Canada and do the things that we should be doing? That is an area which I think might be well worth exploring.

Senator Sparrow: Under the heading, I think, the Combines Act and in discussion you suggested as well that you thought one hundred per cent ownership of newspapers would be a bad thing.

Mr. Malone: Yes.

Senator Sparrow: What would happen, though, if in fact there was no provision to in fact stop that, and it became one hundred per cent owned by some group or chain or individual. It is pretty late to do anything at that point, is it not?

Is there some area you might suggest where legislation could be brought forward, either better legislation under the Combines Act or some special legislation where this in fact could not happen?

Mr. Malone: No, I don't think I could suggest any action there. I don't think it could happen. I don't think any publishing group in this country would draw unto itself public criticism to that degree. It would destroy them. They all understand this.

If at a certain point somebody tries to grab up all the papers, the public, the readers, would turn against it. I cannot see a situation where anybody would want to get one hundred per cent of the papers in Canada. To me it is a hypothetical thing.

If it did happen, the Government should step in. But I don't think it could happen. Now what would warrant it, other than Combines, acting against the public interest by controlling advertising rates, or anything—the Combines can act in that area.

They took a very hard look at our operation in Vancouver. We were not part of it then, but when that agency operation was developed there, it was a question of were two companies going to survive out there. They worked out the agency operation. The Combines people took a very hard look at it. They went right through it. And they were entitled to.

And they came to the conclusion that while they did not like it naturally it was a means of preserving two papers out there. And they have the power under the Combines Act to look into that: is it working in the public interest?

But other than that I don't think there is anything I can suggest at the moment that your Committee might feel you should project, or anything else.

Does that answer you?

Senator Sparrow: Yes.

Senator McElman: There is one section of the brief under testimony, going back to this "permissive" bit, that I think could be misinterpreted by those who might want to misinterpret it.

The Chairman: Section 103?

Senator McElman: Yes.

It is important in that it ties in with a reference to the newspapers, public trust. And I quote it exactly:

"I would add that we must also guard against any trend towards 'permissive' reporting in our permissive society."

You have made it very clear you are referring to the four-letter word type of thing, and so on.

Mr. Malone: That type of thing, yes.

Senator McElman: And the type of thing that Senator Prowse spoke of. But I think the record should be very clear in your interest, sir. You are not here suggesting that the so-called underground newspapers should be held back in any fashion. If society accepts them, so what, let it accept.

Mr. Malone: I would go further. I do not think it is just a question of society accepting it. I think it is a question of the courts accepting it. You get libel, slander. They must answer the law of the land. But nothing beyond that.

If they can put a paper out and take our readers away from us, away they go.

Senator McElman: There is no reference to underground press?

Mr. Malone: Not at all.

The Chairman: Thank you, Mr. Malone. We will adjourn now. We are grateful to you. I would ask if you would be here at two-thirty. We will then resume questioning.

The Committee adjourned.
(Upon resuming at 2:35 p.m.)

The Chairman: Honourable Senators, should like to resume the session I think until three thirty. I will put it this way, as long as necessary but no longer than three thirty. We shall continue to deal with F. P. Publications and The Winnipeg Free Press and the hopefully we can turn our attention at three thirty to the Ottawa Journal.

I think, Mr. Malone, that Senator Everett would like to begin the questioning this afternoon.

Senator Everett: Mr. Malone, would you tell me what the authorized and issued capital is of the Sun Publishing Company Limited?

Mr. Malone: I am afraid I can't. I think you have the financial sheet here. Have you got one?

Yes, the authorized share capital is two million, five hundred thousand.

Senator Everett: Common shares?

Mr. Malone: No, shares not capitalized. There are two classes of shares, A shares and B shares. There are 375,000 A shares and 375,000 B shares.

Senator Everett: Authorized or issued?

Mr. Malone: Issued.

Senator Everett: What does F. P. own these?

Mr. Malone: I believe the latest figures are—I have got them right here. As of December 31st, 1969, of the non-voting shares F. P. owned 123,000.

Senator Everett: That would be A shares?

Mr. Malone: That is A shares.

Senator Everett: 123,000 "A"?

Mr. Malone: Yes, and 313,466 "B".

Senator Everett: Who owns the remainder of the A and B shares?

Mr. Malone: They are a scattered group.

Senator Everett: Let us deal with the B shares then.

Mr. Malone: Oh, it is quite a long list.

Senator Everett: I see.

Mr. Malone: There are small bits and pieces. Fred Brown owns a group but there is no significant control holding at all.

Senator Everett: I think we know the newspaper interest of F. P. Publications. Can you tell me what other media interests does F. P. Publications and/or its subsidiaries have?

Mr. Malone: Media, I take it by that that you mean broadcast or something of that nature?

Senator Everett: Suppose I use "media" in the terms that it is used in this Committee which is a pretty wide definition?

Mr. Malone: Yes. The only thing we have of is, we have a holding investment in Selkirk but our shares are non-voting and we have no directorship or anything like that at all. We have no control position whatever, not even a vote.

Then we have—I think it is about twelve per cent—of Victoria Cablevision, twelve and one-half per cent and we are not represented on the Board there and no control position there either, but these are the only two areas of any active company we have.

We have two applications in for—you asked indirect—two applications pending for Cablevision in Regina and Saskatoon, but they have never even been heard so there is nothing there at all.

Senator Everett: That is Central T.V.?

Mr. Malone: The names are Central Cablevision and the other interest in F. P. is nearly all job printing. They are not "media", as you would interpret it.

Senator Everett: Would they be separate companies?

Mr. Malone: In most cases, yes.

Senator Everett: Are there subsidiaries?

Mr. Malone: It forms part of Lethbridge, a small job printing company which forms part of the newspaper. It is a separate company but a subsidiary.

Senator Everett: Of the Lethbridge Herald Company Limited?

Mr. Malone: Yes. I will give you the precise name. No, as I say, it is not a subsidiary. I have got the corporate chart here, if you are interested in it.

In Victoria, for example, we have the Commonwealth Printer, a job printing company up there, which in turn is a subsidiary of the Victoria Press, which is the newspaper division but they are formed as separate companies. In some cases subsidiaries and some directly owned.

Senator Everett: Would you give us a copy of the corporate chart?

Mr. Malone: Yes.

Senator Everett: Is there an outfit called CATV Limited in Calgary in which you have an interest?

Mr. Malone: No, we have agreed to go into a syndicate up there but that again is not in operation. They have never got a licence or so on.

No, the only two operating companies are the two I mentioned. One is Victoria Cablevision where we have no position and Selkirk where we hold no position in terms of voting or control. They are the only two operating ones.

Senator Everett: Mr. Malone, you mentioned the predicament of the farm press briefly in your remarks this morning and also in your brief. Since you operate the largest farm newspaper in Canada, would you care to enlarge on that?

Mr. Malone: Yes, I would. I would be glad to. Here is what concerns me. At one time this was a very important segment of the press of Canada and there has been a continuous mortality of these papers. As I say I did not come prepared to deal with this specifically, but rather F.P. and the *Free Press*, but I have a list here of the papers that have gone down and folded up.

The Canadian Countryman, 174,000 circulation.

The Farmers' Magazine, 100,000 circulation.

National Home Monthly, 317,000 circulation.

Country Gentlemen, Saskatchewan Farmer and Stock Men, 50,000.

Farmers' Advocate, 150,000.

Farmers' Ranch Review, 92,000.

Family Herald Weekly Star, 400,000.

Now, these have all gone down and disappeared for economic reasons.

Also, prior to 1950 the *Ottawa Farm Journal* went, the *Farmer* went, the *Farm* and *Dairy* went and the *Farmer Home* went. This

is a tremendous mortality. There are really only three national farm papers left. It seems to me this should be a matter of very considerable concern.

Senator Prowse: When did they go out? Can you give us the dates they went out?

Mr. Malone: Yes. The *Farmers' Advocate*, June, 1965; the *Farmers' Ranch Review*, May, 1966; the *Family Herald*, September, 1968. The others were prior to that, back in the nineteen fifties, but there has been a deterioration.

Now then, the matter I am concerned about at the moment is this: we have the largest farm paper and when the *Farmers' Advocate* and then subsequently the *Family Herald* and *Weekly Star* went down, we honoured their subscription list. We took it over and honoured the list and sent out papers so that the subscriber was not deprived of his subscription and so on.

Now, in each case perhaps the leading factor in the economic difficulty was the increase in postal rates and the great inroad on advertising through the broadcasting media; and in both of these instances the government has a very active hand and I think they should have some concern for this. What is their responsibility?

This press served a very, very useful purpose. I doubt if the people here in the room know much about it. These papers are not sold in the cities. You do not see them in the streets. They are almost one hundred per cent mail subscription to these country areas, way up in the northern areas, the agriculture areas, small towns, villages and so on and they have rendered a very great service over the years.

Many areas were not served by daily newspapers and they had up until recently very limited broadcasting facilities and they were very much dependent upon these papers for information and the news and I very quickly, a day or two ago, made a note of some of the columns that were run in these papers that were of direct benefit to the farmer.

"Farming with your pencil"—trying to explain to them how to calculate whether they are operating at a loss or at a profit, your depreciation and so on. It is really a class in arithmetic on farm accounting that is getting more and more important today.

We have "cattle information news", trying to keep them in touch with markets.

"Markets that advance", trying to tell them what the various commodity markets are.

"Weekly hog reports". "Livestock market summaries". "Livestock reports and comments". Various farming texts touching on new developments, new techniques, new inventions or products that are coming out of the market. "Livestock parades"; "veterinary answering column", where they can write in and ask for veterinary services.

We have even a legal column where the farmer removed away out has a simple legal problem—a very big one to him—He can write in and we have lawyers trying to answer him the best we can.

"Query columns" and "health column" and so on.

Now, that is the nature of these paper together with details of scientific developments in agriculture.

This is the type of thing, I do not suppose anybody in this room would even bother reading because it is not to their interest but it is of vital interest to these farmers.

Now, our paper in the last year or two which, as I say, is the largest in Canada, has not been operating at a profit and suddenly we are hit with a half a million dollar increase in the postal rates. Now, what do you do?

We have a responsibility in this thing. We believe in this paper. We are prepared to carry it on. It is not a profitable thing and has the government some responsibility in the area? We feel that they have misjudged the very badly and I have given some comment in the brief and I do hope that you will have a minute to read it.

On the postal rates in an effort to effect economies in the postal department, there have been studies made trying to work out unit cost. They have divided this up with each class of mail carrying its own share or there a subsidy involved or are they operating at a loss but there have been references in the House to a subsidy through postal rates. We have always incidentally been against that. We do not believe we are getting a subsidy and we do not believe we ever have. It is a question of how you play with figures. Everybody has their own statistics, it were. It is a question of how you work these out.

Here is a quick example. The costs divided up into delivered mail—there was handling at the post office. There was sorting, there was

rucking, there is bagging, there is delivery and there is the postman delivering at the other end and so on. You divide this up with the number of items of mail and pay their fair share of costs and you assess this in some relationship.

Well now, in the case of a farm paper—and do not think this is appreciated—the post office does not sort our paper. We do all the sorting ourselves at our own expense in our own mailing room. We put them in postal bags with the correct postal labels on and the papers never to to the post office. They do not go in postal trucks. They go in our trucks and any times at overtime rates. They are put right on to a freight car, but now we are being charged on a postal rate for the handling, sorting and delivery which I feel is completely unfair.

Now, you get to the other end. It goes on a freight car...

Senator Everett: Excuse me. Have you seen the figures on which the Department based the figures of having assessed against...

Mr. Malone: Yes.

Senator Everett: You have seen those figures?

Mr. Malone: Yes.

Senator Everett: Have you figures to count the post office figures?

Mr. Malone: Yes.

Senator Everett: Would you file them with the Committee?

Mr. Malone: You are pushing us as to what access to those figures was. Yes, I think I can provide figures for you.

Again, you get to the delivery end of the paper. The farm paper is not delivered by a postman going down the street. They don't do that. The farmer goes into the post office and picks them up, but again the farm paper is being charged a proportion of post delivery which is not in fact existing; but all of these things have been worked out on a unit cost and to me it is very unfair.

In many cases, as I say, the increase suddenly administered by the government amounted in some cases to two hundred per cent up to four hundred per cent and that is a very big factor in the production of these papers, a very big part of your costs.

I would like to think that the Committee here would exercise themselves about it and begin to get some figures. I will give you whatever figures we have got, but you would have to get figures from the post office itself. I have figures which have been given to me in some degree of confidence which were supposed to be the post office figures. I will let you have them, but I will check them out first.

We know what the actual cost is in our own case. We know there is at present a bulletin up in the post office department trying to show what they are charging, how they arrive at it. As a matter of fact I think your Committee would have to go into it. We have not got the access to all that information.

Senator Everett: But you can give whatever information you have?

Mr. Malone: Yes. I do think it is important.

Senator Everett: Did you suffer much in the way of subscription cancellations in the *Free Press Prairie Farmer*?

Mr. Malone: Yes. They are not getting cancellations. A man has a paper and he has paid for it at the end of the year. He just simply doesn't renew. He doesn't write in and say, "Cancel". He just does not renew it and to me because you have a paper operating at a break even position and you are trying to cover half a million dollars, trying to get your rates up, at that point, he does not renew.

Senator Everett: But you have not suffered?

Mr. Malone: Oh yes. The circulation has gone down.

Senator Everett: Markedly?

Mr. Malone: Oh yes. Well, here is a study when we took on the *Farmers' Advocate* and honoured their subscriptions. Putting the two of them together we ended up with a circulation of four hundred and seventy-seven thousand. That dropped down to four hundred and eighteen thousand, so...

Senator Everett: Wait a minute. You just bought the subscription list of the *Farmers' Advocate*?

Mr. Malone: That is right.

Senator Everett: You would expect many people would not renew just because of the change?

Mr. Malone: Not necessarily. There would be some duplication, of course, but our actual subscription list has dropped, quite apart from any duplication. It is down below what you might normally expect.

Senator Everett: Was it dropping before the postal rate increase?

Mr. Malone: Both before and afterwards and in point of fact, we are not pressing it as hard because we are losing money on every piece of paper we put out through the post office so it is a relation we have. It is an advantage almost.

We are maintaining circulation to command whatever advertising we can but we are not pushing our circulation. Instead of sending out three or four renewal notices, we are sending out one and either they renew or we cannot afford to push it anymore.

Senator Everett: You conclude that the farm press is important?

Mr. Malone: I do.

Senator Everett: And should be maintained?

Mr. Malone: Yes, very much so.

Senator Everett: Well, what point are you making: that the government is overcharging for its service?

Mr. Malone: Yes.

Senator Everett: Or that the government should undercharge for its service?

Mr. Malone: No, no.

Senator Everett: Or that the government should go further and subsidize the farm press and maintain it?

Mr. Malone: No, no, they are overcharging us and I think very seriously. Everybody agrees we must maintain postal service in Canada. There must be a post office here and so on. Now, you are going to have that basic service there regardless, for your first-class mail and so on.

Now then, any out-of-pocket expense to handle second class mail and to take care of farm papers I think the paper should pay, but they are not doing that. What they are doing is dividing the over-all cost of the postal service and charging a great chunk of that to the farm press for services we do not receive at all. They do not sort out papers. They do not bag them...

Senator Everett: That is your own complaint?

Mr. Malone: Yes.

Senator Prowse: And they are not going to give it?

Mr. Malone: Pardon?

Senator Prowse: They are not going to give it?

Mr. Malone: I don't know.

Senator Prowse: They are going to have the same expense whether you put a paper out or not?

Mr. Malone: Yes, that is the point.

Senator Everett: If the government were to lower its postal rate to the figure you say, fair...

Mr. Malone: Yes?

Senator Everett: Would that save the farm publications?

Mr. Malone: I think it would have quite an effect and not only the farm press. There are many other papers have been in the same position, quite apart from the farm press. They have simply had to fold up. They cannot meet their payments.

You see, unlike the daily newspapers there are one hundred per cent dependent on the service so the government has got you by the neck on this thing. They control everything whether they put you out of business or not. I think they are being far too excessive in their charges here.

Senator Everett: I wonder if we could move on to another subject.

Senator Beaubien: Could I ask a question here? Have you put up your rates, Mr. Malone?

Mr. Malone: Yes. We are putting them up gradually. We went up fifty cents a year. I think a few months...

Senator Beaubien: From what?

Mr. Malone: We are now at \$3.00 a year. It is a weekly paper.

Senator Beaubien: From \$2.50?

Mr. Malone: Yes. And I think the increase pending now will go to \$3.50. We are sending it up about fifty cents.

Senator Prowse: That is not a very big increase.

Mr. Malone: No, it is not. If you pay a postal increase of four hundred per cent, we cannot increase our subscription rates four hundred per cent.

The Chairman: Are you increasing your advertising rates?

Mr. Malone: Yes.

The Chairman: At about the same ratio?

Mr. Malone: Yes.

Senator McElman: What is your circulation?

Mr. Malone: The circulation is just under half a million, four hundred and ninety thousand. We were up about six hundred thousand, that was the figure you asked, Senator Perrett. It was running up close to six hundred thousand. We have gone down to four hundred and eighty thousand.

Senator McElman: And these additional costs, about half a million, would represent a dollar per subscriber?

Mr. Malone: Yes, about.

Senator McElman: Added on top of the \$500 now?

Mr. Malone: Yes.

Senator McElman: So this would be about thirty-three and a third per cent increase?

Mr. Malone: Yes, not of the postal rates or what they used to be.

Senator McElman: No, I am talking about the relationship to your subscription rates.

Mr. Malone: Yes.

Senator McElman: A dollar on top of the \$500?

Mr. Malone: Yes.

Senator Beaubien: A dollar on \$2.50?

Senator McElman: So the four hundred per cent relationship does not come out in relation to the other, of course?

Mr. Malone: No, only in relationship to the previous postal rate. Ours has increased three hundred and eighty per cent. I think that is the closest figure.

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Senator McElman: How many issues do they have a year?

Mr. Malone: Fifty-two.

Senator McElman: Two cents a copy?

Mr. Malone: Yes. You multiply that out. It is a big round sum.

Senator McElman: Yes. I am trying to relate it to the additional costs per copy. If you expect this is going to cut your circulation very appreciably, then would it be proper to suggest that the farmers do not put the same weight on the calibre of the service you are giving that you do?

Mr. Malone: That could be an interpretation too. There is a greater demand for their time also in the broadcast industry and I think you have discussed previously in your Committee here—there is a difference between the broadcast media and the newspaper in terms of the record and you want figures about marketing. You cannot flash these on the screen and give the same service.

If I may digress for just a minute here. In the earlier days the government recognized the importance of the public being informed and getting the news out to distant areas of this country; their theory was that they should make a second class rate, the lowest rate possible that carried its own weight. It should not be loaded with any additional costs. That prevailed and was well recognized in the national interest to get news and keep our people informed.

You had settlements in the earlier days in the West that were new Canadians knowing nothing about Ottawa or knowing nothing about their provincial government, their own marketing conditions or anything else.

There was not government news services as there are now with increased use of bulletins and that sort of thing. That principle seemingly has been abandoned completely and they say you must be loaded with some part of our costs the same as the first-class mail.

We are not asking for a subsidy here. All we are saying is that we will pay any out-of-pocket expenses. If the government will argue this is a subsidy—all right, who has it been subsidizing? Has it been subsidizing the farmer who gets that paper or is it subsidizing the paper—I don't know; but I contend that the original principle was right and now it has been abandoned, and the penalty is you will have no farm press in Canada. I would

like to hope you would give some thought to that.

Senator McElman: I am not trying to downgrade your paper.

Mr. Malone: No.

Senator McElman: I was brought up on the *Family Herald*.

Mr. Malone: Yes.

Senator McElman: And I really miss it very greatly. Let us try to relate it in another fashion.

The Chairman: Senator McElman, are you finished?

Senator McElman: No. I am still on the same subject, if I may, these costs.

The Chairman: Fine. All right.

Senator McElman: The price charged for your newspaper, not the farm paper, how much has it appreciated, well, let us say, since the War?

Mr. Malone: The increase in newsprint costs?

Senator McElman: No, subscription rate.

Mr. Malone: The mail rates or subscription rates of the daily paper have all gone up. We have all lost subscriptions over it. I cannot tell you at the moment exactly what the increases were. I can find out. It is no trick. We publish them.

Senator McElman: These increases have been related to your costs?

Mr. Malone: Yes.

Senator McElman: But up to this point, not related to postal rate costs increases?

Mr. Malone: Oh, yes. If you have an increase in your postal rates, we have to go up too.

Senator McElman: I say up to this point, these, what you consider to be major increases to your subscribers, have been largely due to other cost increases—newsprint, labour, wages and so on?

Mr. Malone: I will put it this way. The postal increases have become quite an increasing problem themselves. They were not the only factor, but they are an increasing factor.

Senator McElman: What I am trying to get at is: the increase of subscription rate to your subscribers up to the point of the current major increase in postal rates...

Mr. Malone: Yes.

Senator McElman: This has been more related to other costs, has it not?

Mr. Malone: That is right. Newsprint increases and cost production; but now with the increases in postal rates, the effect is on our mail subscribers, not the country dealer.

With a daily paper, some go to the town some go to the news dealer, some go to the boy in the street. Some people receive it by mail. They are people that have been affected. We have had to put their costs up.

Senator McElman: You believe there should be no subscriber resistance to a rate increase for a subscription which results from newsprint costs, but there should be a resistance to a subscription rate increase which results from an increase in postal rates, which reflects an increase in Government costs in putting mail to the citizen?

Mr. Malone: The subscriber will resist an increase. He doesn't really understand where it is from.

Senator McElman: No, I am not saying what he resists, but what you believe he should resist.

Mr. Malone: I am afraid I don't really know what you are getting at here.

The Chairman: Put the question again Senator McElman, please?

Senator McElman: Do you believe yourself that the subscribers should have a great resistance to an increased subscription rate which results from postal rate increases, turn reflecting increased costs to government? Should he have greater resistance to that than he should have to your increases in subscription rates, which reflects newsprint cost, labour costs and the whole ball of wax that you have?

Mr. Malone: I think the answer to that is do not think the subscriber differentiates that extent. If we have to increase our rates there, we say, "We are sorry. We are going to have to increase fifty cents or a dollar", and we can then try to explain to him why. The costs have gone up. Newsprint has gone up and where it is a case of the postal rate going

up, we say that, but I do not detect any difference in his mind. I do not think he differentiates. He does not blame the postal department or the newsprint company or anything like that. He receives the increase and he reflects that when he does not renew his paper.

Senator McElman: That deals with the subscriber. Now, as the publisher, do you believe there should be a greater resistance to a postal rate increase, reflecting increased cost of government than there should be to an increase in your subscription rate reflecting a newsprint cost and other related things?

Mr. Malone: Yes, sir. Where it is iniquitous, I think this is not an equitable increase in the postal rate. That is why I should say there would be resistance to it. It is not an equitable increase that we are getting, at all.

Senator Prowse: I think you are talking about two different things.

Senator McElman: Let us just forget whether it is equitable or not for the moment.

Mr. Malone: You are asking me: should we resist an increase due to postal rates or due to newsprint cost. Now, in my view we would resist a postal increase because we feel it is iniquitous. We feel it is far too large and cannot be justified.

Senator McElman: I am having a hard time to get you to understand.

Mr. Malone: Yes. I am trying to answer you but I am afraid I do not understand.

Senator McElman: Forget anything that may be inequitable at the moment.

Mr. Malone: All right.

Senator McElman: Let us say that the government costs have gone up.

Mr. Malone: Are you talking about the postal department now?

Senator McElman: Yes, and surely the costs in everything have gone up.

Mr. Malone: Yes.

Senator McElman: The postal department pays wages too and we have been quite aware of that during the strike and threatened strike in the last short while.

So, government costs, I think we can assume, have gone up in the post office

department and they increased the rate. This has caused you to either absorb the cost or pass it on to your subscriber through increased subscription rates. Now, that is one apple. The other apple is your newsprint costs go up, your wage and salary costs go up, your equipment costs go up and so on. You have a subscription rate increase on that basis. Are they apples and oranges or are they apples?

Mr. Malone: I think that if you are asking: will we resist a government increase simply because it is a government increase, no. We treat them both the same.

The only difference in this is that we feel in the postal thing that this particular increase is out of proportion and not warranted.

Say your postal rates have gone up due to an eight per cent increase in salaries in the postal department. This is understandable and I do not object to that, but this was a four hundred per cent increase.

Senator McElman: Your first sentence gave me the answer on apples. Then we get back into apples and oranges again.

Mr. Malone: We are not resisting simply because it is a government increase.

The Chairman: As delighted as I am to be in this fruit market, I prefer to get back to Senator Everett again.

Senator Prowse: May I ask one question?

The Chairman: Yes.

Senator Prowse: As I gather, your objection to the postal increase is that that rate gives them an income in excess of any increased costs they have had? Is that not it basically?

Mr. Malone: That is right, and we feel it is unwarranted.

Senator Prowse: You say their bookkeeping has been bad on that?

Mr. Malone: That is right.

Senator Prowse: And that is our basis?

Mr. Malone: Yes, that is it.

The Chairman: Senator Everett?

Senator Everett: Going on from there, Mr. Malone, to the Winnipeg Free Press. Could you tell me what rate you charge on the average for retail advertising?

Mr. Malone: On an average—I do not know that we can give an average. I have the rate card here. I do not think we have ever averaged it out.

Senator Everett: Let us take an advertiser who buys say twenty-five thousand lines per year.

Mr. Malone: Here you are. This is on contract. I can give you it right down, if you want. For one thousand lines it is forty cents per line; twenty-five hundred lines—thirty-nine cents per line; a five thousand line contract—thirty-eight cents; a seven thousand, five hundred line contract—thirty-seven cents; and a ten thousand line contract—thirty-six and a half cents.

Senator Everett: Does it go on from there?

Mr. Malone: No. Those are our published rates under the contract. In cases of...

Senator Everett: Ten thousand lines is what?

Mr. Malone: That is our highest public contract.

Senator Everett: That is...

Mr. Malone: Thirty-six and a half cents.

Senator Everett: It goes on from there?

Mr. Malone: In the case of a very large say department store, they are using millions of lines. These are normal things. You negotiate each of these. They are jointly negotiated at the end of each year for a year's term. These are not normal advertising, put out in your rate card, where you are dealing with two or three customers only. In that category, they are negotiated contracts each year, depending on what volume they are going to use.

Whether they are going to use a million or two million lines, you are dealing in very big figures here.

Senator Everett: I am taking this point from looking at some information that we have, not referring specifically and dealing with the *Winnipeg Free Press*, but to all newspapers. The department stores in this country which, I guess, are just three or four stores and maybe a few more...

Mr. Malone: Yes, not many of them.

Senator Everett: Very few of them.

Mr. Malone: Yes.

Senator Everett: ...are getting a large subsidy from the newspapers at the cost of the other advertisers; that is the national advertisers and the local advertisers, and also at the cost of the person who buys the paper.

Mr. Malone: No, I wouldn't think that. I don't want to correct you—that is a thing that is often said but I would say—and I know the details in many of our papers here—that this is a profitable thing. We do not give advertising away to the bigger department stores or anybody else. It pays its way and there is profit in it.

Senator Everett: I wonder if it would be a help to the publishers saying Eaton's are paying for advertising in all your newspapers?

Mr. Malone: Well, it might, but they are profitable. Believe me, we do not give advertising away to anybody for nothing so it is a profitable operation.

Senator Everett: I am thinking more specifically than the *Free Press* because I cannot find those figures here. I have figured here but they are not ones that could really tell the story. I am thinking specifically...

Mr. Malone: These rates are not published as a rule.

Senator Everett: There seems to have been a great deal of difference between local advertising rates and those of a department store's advertising rate to the point it would appear the department stores are enjoying a tremendous advantage.

Mr. Malone: No, they are not. Certainly not in our papers. I cannot speak for the other papers because I really do not know the rates. There are great volume discounts that you get. When you have a million or two million lines there is a very, very substantial discount. I can say this in the case of our papers where I know the rate—that in some cases is the advertising given away below cost or where we are not making some money out of it.

I cannot speak for other papers.

Senator Everett: But you do not publish that rate? In the case of most of your advertising you publish the rate?

Mr. Malone: We do not publish their rates. We publish a scale of rates. If you happen to know what the advertiser is using, if he is using ten thousand lines you can tell what is

ate is. We do not publish individual advertisers' rates.

Senator Everett: Once he gets over ten thousand you negotiate that?

Mr. Malone: Yes.

Senator Everett: Is that true of all your papers?

Mr. Malone: They negotiate a year's contract with them. They approach them and say now, "What do you think you are going to use the next year?" They say, "We will use one million or one and a half or two million next year", and then they negotiate the rate; and if your normal rate structure has come up, we put their rate structure up too proportionately.

I may say the department store may say, "We want a special type of promotion. We want to bring out a "during the summer thing". They will try to negotiate a special rate. It is very competitive, but I can assure you in our own paper—and they are the only ones I know the rates of in that category—that we are not subsidizing anybody. The readers are not subsidizing nor are the other advertisers. This is profitable.

As I say, I cannot speak for the other papers. I simply do not know the rates. Does that answer your question?

Senator Everett: Yes. I think that answers the question. I would like to deal for a moment with the position of Pacific Press in the Vancouver market as it affects advertising. Could you tell me on an average line what you get, what rate is charged by the *Vancouver Sun* and what rate is charged by the *Vancouver Province* and what the combined rate is?

Mr. Malone: Yes. They both publish their rate cards. I have it right here. They publish their rate cards both in combination and separately. The *Sun* and *Province* combination rate—this is a general advertising rate—is \$1.40 a line.

Senator Everett: Is that together?

Mr. Malone: Yes.

Senator Everett: That is on what lineage?

Mr. Malone: That is your flat rate with no contract. Now, there are contract rates not listed here. This is out of Standard Rate and Data but they both publish rate cards. I mean,

I will send them down to you. I do not happen to have them here. They were not called for and I did not bring them, but they publish rate cards.

Senator Everett: Let us take the individual. That is a dual rate.

Mr. Malone: Yes.

Senator Everett: What is the individual rate?

Mr. Malone: As I say, I have not got the rate cards here.

Senator Everett: You cannot tell me that?

Mr. Malone: No, but they both publish rate cards and they publish them...

The Chairman: The flat rate would be for each paper, would it not?

Mr. Malone: No, I don't think so.

The Chairman: It is just a combined rate. That is all they have there.

Mr. Malone: Yes. That is what I was looking for. They are not here.

The Chairman: Perhaps Mr. Keate could tell us the single rates.

Mr. Malone: Can you talk from your memory on that, Mr. Keate?

Mr. Keate: I am sorry. I have not got it with me.

Mr. Malone: I will mail both rate cards to you. I am sorry we haven't got that. I did not know you were particularly interested in this. They were not called for so I have not got them with me.

Senator Everett: Would you happen to know what the rough difference is between advertising in the two papers individually and advertising in the papers jointly?

Mr. Malone: No. There is a discount.

Senator Everett: I wonder if Mr. Keate would know that.

Mr. Malone: I don't think Mr. Keate would know.

Mr. Keate: No.

Mr. Malone: I think what you are getting here is: we have a rate for one paper and a rate for the other. We may say, "Here is a

savings to you to go in both papers." We are giving them an attractive rate to try and get them into both papers and the reason is very simple. You only have to set the ad once.

Senator Everett: You say you only have to set the ad once. Do you as a newspaper buy plates from another newspaper at no cost to the advertiser?

Mr. Malone: No, I wish that was the case. That was the thing I was touching on.

Senator Everett: At no cost to the advertiser, I say?

Mr. Malone: Well, that may be, but they are a very costly thing to the paper.

Senator Everett: It may be costly to the paper, but they are paying for the service?

Mr. Malone: That is right, but if we only have to set the advertising once and it is going in jointly, there is a savings to us and we can pass that on with a discount in the combined rate, which we do, to the advertiser.

You see, if an advertisement comes in from a local store in Vancouver, now, it is only going to go into one paper and it costs us so much to set it and proof it and read it and correct it and so on. Now, you charge your rate for that; but if you say we are going to put it together in the other paper, we do not have to re-set the stuff over again and proof it and so on so we can use the same type so there is a savings of costs and we pass this on to the advertiser in substantial discounts.

I do not know whether it runs, about twenty per cent or in that order. I do not want to go on record. I have not got the figures with me.

Senator Everett: The only reason I am sort of askance is that I know of no newspaper that gives an advertiser a discount for providing his own mats. If it is such an advantage to a newspaper, I would have thought they would have passed something on to the advertiser.

Mr. Malone: No, in the case of national advertising a mat comes and we do not have to set it. We cast it. Now, in the case of local advertising where they may supply part of a mat and a signature and so on, under the union regulation, we must set that and it is a costly business. It is hand set.

Let us say you take a local advertiser out of a nearby town who will say run that ad.

We cannot go over and get the mats from that other paper and just cast it up. We have got to set it ourselves. I know it is very wasteful and uneconomic, but we have to do it.

Senator Everett: In the case of a couple Mr. Irving's papers, which operate in the same town, the lift rate was nine cents?

Mr. Malone: Yes.

Senator Everett: An agate line.

Mr. Malone: Yes.

Senator Everett: It would seem to be reasonable to effect cost of saving between the two?

Mr. Malone: Yes.

Senator Everett: In other words, you could advertise in one or the other?

Mr. Malone: That is right.

Senator Everett: The combined rate that was nine cents, less the sum of the two individual rates and surely somebody knows what the...

Mr. Malone: There is no mystery about it. I am sorry I have not got the figures here, but there is a substantial discount, I think, perhaps it would be in the vicinity of twenty per cent, which is given to that advertiser going in both papers reflecting the savings we have obtained by putting it in both papers and not having to set it twice.

The Chairman: May I just ask you a point, following on Senator Everett's question. You were examining the *Canadian Advertising Rates and Data* of January, 1970, which I think it is fair to say, is a standard volume used by advertising agencies in purchasing space.

Am I to understand from your—I agree— cursory study of that rate card that it does not contain the rate for an advertiser who wishes to use only the *Sun* or only the *Province*?

Mr. Malone: No. Separate rates are made request.

The Chairman: In other words, if I am an advertiser and I want to use the *Sun* only, I have to make a special request?

Mr. Malone: No. It is available to all agencies. We mail out the rate cards to all agencies. They all have them. This particular magazine has not got it.

The Chairman: Does the rate card of Pacific Press indicate the price of an advertisement in the *Sun* as distinct from the *Province*?

Mr. Malone: On the rate card, yes, as far as know. I would have to get one and look at it.

The Chairman: Can you get one of those on file? Do we not have one on file? Perhaps we can get it later this afternoon?

Mr. Malone: If not, I will send you one.

Mr. Keate: I have sent to the *Ottawa Journal* for one.

The Chairman: Thank you so much. Do you want to carry on, Senator Everett?

Senator Everett: Perhaps I could defer questioning until that rate card comes?

The Chairman: Yes, because I have some questions and Senator Everett has some. Perhaps we can return.

We will return to Senator Everett. In the meantime I think Senator Sparrow had some questions?

Senator Sparrow: No.

The Chairman: I am sorry. Mr. Fortier?

Mr. Fortier: While we are talking about the Pacific Press Company, Mr. Malone, when you purchased the Cromie interest in the Pacific Press, did you first approach the Southam people?

Mr. Malone: No. I think it actually came to them as a surprise.

Mr. Fortier: Would it be fair to ask you whether or not the fact that Southam owned the other newspaper in Vancouver was instrumental in your decision to go in?

Mr. Malone: No, no, not at all. We were interested in Vancouver. As a matter of fact many years ago we made an offer to buy it then—I think about ten years previously—we made an attempt to buy that paper. At that time the Pacific Press did not even exist.

Mr. Fortier: The Members of the Committee, I think, would be very interested in hear-

ing in detail how this Pacific Press agency agreement, which is the only one of its kind in Canada, operates?

Maybe I can ask you a series of questions. For example, how do you assess the charges as between the two newspapers?

Mr. Malone: A formula. You can break down some departments very accurately. Let us say the stereo department. We have to have certain types of equipment up there which must turn out so many plates representing pages. They turned out so many plates in a twenty-four hour period for the *Province*, and so many plates for the *Sun*. You equate them and say, "All right, what was the total production of that department. Here is the ratio."

Mr. Fortier: Pro rated?

Mr. Malone: So you can arrive at a pretty accurate formula there.

Senator Everett: May I interrupt here? Does not Pacific Press own the assets of the two papers?

Mr. Malone: Yes, that is correct.

Senator Everett: So what would be the reason for them breaking it down between each other?

Mr. Malone: There is simply bookkeeping. We want to know how the papers are going. They pool their profits and losses, but you must know how the paper is doing. "Is it profitable or unprofitable?" They each produce separate balance sheets. We get an accounting at the end of each month of how the *Sun* operation is going. You see, some departments are not common ..

Senator Everett: That operation then is really a form of branch accounting for Pacific Press?

Mr. Malone: That is right.

Senator Everett: They do their own cost accounting; the Province Publishing Company and the *Sun* Publishing?

Mr. Malone: You see, some departments are not common. They each have separate advertising departments, separate editorial departments and separate circulation departments.

Senator Everett: But they are all owned by Pacific Press?

Mr. Malone: Yes, that is right. Now, then, for example, we have no say on the circulation cost of the *Province*, but we are responsible for the circulation cost of the *Vancouver Sun*.

Senator Everett: When you say, "we", about whom are you talking?

Mr. Malone: The Sun Publishing Company. It is a separate company in which we are the principal owners.

Senator Everett: Yes, I appreciate that.

Mr. Malone: We have a directors' meeting every month or so. They bring in the operating costs. We go over them very carefully. We check them each month. We see each month's statement come in. We see if the circulation costs have gone up or if newsprint costs have gone up. It is broken right down in detail.

Now, in the common department, the mechanical department, we try to assess those pretty accurately against one another as to what the actual requirement was.

Senator Everett: Is the entire entity known as the *Sun*?

Mr. Malone: Yes.

Senator Everett: Is it operated entirely by Pacific Press or does the Sun Publishing Company have some conduct of the operations?

Mr. Malone: Now, if we put it this way. Here is the Pacific Press which owns both papers. Now, then, the persons who publish the papers are two distinct entities. One is the Southam Corporation and the other is the Sun Publishing Company. They both publish the paper for Pacific Press.

It is complicated I know, but have I made myself clear?

Senator Everett: In the over-all management . .

Mr. Malone: Yes, in the directing of policy and principle and circulation.

Senator Everett: In many terms it is purely Pacific Press?

Mr. Malone: That is right. Now, then, we have no say whatever as to expenses in terms of circulation, advertising and so on of the *Province*. They have no say in our operation in what we do.

We do have a joint say in the mechanical production and we have a joint board. We have one half of the directors and Southam have half of the directors and we meet and we deal with the mechanical problems.

We see if our operating costs are going or newsprint is going up. That is the way we deal with this.

Senator Everett: Would a reporter on the *Sun* work for Pacific Press?

Mr. Malone: No. In theory he works for . .

Senator Everett: He works for the *Vancouver Sun*?

Mr. Malone: Yes. They hire him and so on. He may be paid by Pacific Press, accounting wise.

Senator Everett: I am saying he works for the *Sun*?

Mr. Malone: Yes.

Senator Everett: And the *Sun* is owned by Pacific Press?

Mr. Malone: Yes, that is right. I would like to be clear . .

Let us say if we hire a reporter at the *Vancouver Sun*, Pacific Press as such has no say in it. It is entirely up to the *Sun*. They hire that reporter. They may discharge him or may direct his work. They have full control over that. There is no central control of Pacific Press of the functions of the editorial, advertising or circulation.

Mr. Keate is here. He is directly responsible for those three functions, circulation, advertising and editorial.

Senator Everett: But the payments for those functions comes from Pacific Press?

Mr. Malone: Yes. There is one accounting department. They issue the pay cheques.

Senator Everett: I think I understand.

Mr. Malone: It is complicated. It took me a little while to get it through my head too. It is a curious structure, an agency operation.

Mr. Fortier: Pacific Press signs the pay cheques for the reporter?

Mr. Malone: That is right.

Mr. Fortier: Then it is charged back to either the Sun Publishing Company or Southam. Is that correct?

Mr. Malone: When you say, "it is charged back to", it shows on the break-down of the expenses of the *Sun* and the expenses of the *Province*. There is one central bookkeeping organization.

Mr. Fortier: Pacific Press?

Mr. Malone: They take in all the money which goes to all the costs and expenses. They balance it up. It is the operating financial institution.

Mr. Fortier: In very simple layman's terms, is it possible that Southam would pay a share for a portion of a reporter's pay who works for F. P.

Mr. Malone: In theory this would be right, yes. The same way we do too.

Mr. Fortier: Vice versa?

Mr. Malone: Yes, because again in the final analysis the profits and losses are shared equally between the two people who own Pacific Press.

If one paper has a loss, it is divided equally among them. If they have a profit, it is shared equally among the two owners, but no one paper has control over both the circulation or both advertising or both editorial departments. There is considerable jealousy, I might say.

We have some very interesting directors' meetings. It is not simply central control and we all go along. They fight for their positions very hard.

Mr. Fortier: If in any given year the *Province* had a very serious loss—let us not say in any given year—let us say a period of three years the *Province* had a very serious loss, which was subsidized in part by the *Sun*...

Mr. Malone: Yes?

Mr. Fortier: What would you do?

Mr. Malone: It is a very difficult situation. All we can do is this: express our views.

Mr. Fortier: That is a distinct possibility.

Mr. Malone: Yes, quite right. All we can do is express our views at the joint board meeting of Pacific Press in which we have fifty per cent of the representation, but we cannot control it.

It is beyond our control as far as the *Sun* Publishing Company is concerned or F. P. is concerned.

Mr. Fortier: Would you envisage the day when eventually you will say, "To heck with the agency agreement. I am going to go my way and you go your way."?

Mr. Malone: No. I do not know how that can ever be done out there. All you can do is try to make your voice heard a bit.

Mr. Fortier: It is not a case that ...

Mr. Malone: You could sell it, I suppose, or just walk out of the thing.

Mr. Fortier: Is it not a fact in order to prevent such a situation arising, the two newspapers are helping one another to maintain a steady position?

Mr. Malone: Yes, I think that is quite true. With Vancouver when the arrangement was first made—this arrangement was responsible for keeping two newspapers going in Vancouver and without it I think it would have been down to one, which would have been a tragedy.

Mr. Fortier: And it is still so today?

Mr. Malone: That is right. A third paper started up and made a good effort at it and they were not able to survive.

I think Mr. Balfour would confirm that. He will be talking to you later in the week. He will confirm the same things I was telling you.

It is not a usual arrangement. We feel that we know how to run a paper and we would like to run it our own way, but we only have half a voice. There are difficulties in it, but in the circumstances I think still that it is perhaps the best arrangement for Vancouver.

I cannot see any improvement in the situation at the moment.

The Chairman: Why would it be down to one paper without that arrangement?

Mr. Malone: Well, they could not survive.

The Chairman: Look at the situation in Calgary where two newspapers are able to survive and look at the situation in Winnipeg where two newspapers are able to survive so why not in Vancouver, which is a much bigger city than either of those?

Mr. Malone: Well, when the arrangement was made up originally, I think it is quite obvious that the *Province* was in a position where it could not have continued without

this agency operation. Whether you could split them up today and make them both buyable, I doubt it.

Senator Everett: You say you take off individual statements for each of the operations?

Mr. Malone: Yes.

Senator Everett: I know this is a branch statement but is the *Province* losing money now?

Mr. Malone: As I say, it is not in a profitable position. I do not want to engage in doubletalk. It is not our paper. Does that answer your question?

Senator Everett: No.

Mr. Malone: Mr. Balfour is here. He is responsible.

The Chairman: Mr. Balfour will be here next Tuesday.

Senator Everett: I would enjoy having Mr. Balfour up there too because I think it is a most interesting situation. That is why my questions about the rate card and the lift rate.

Mr. Malone: Fine. I will see that you get it.

Senator Everett: You are saying that Vancouver would otherwise lose one paper, which would be the *Province* morning paper?

Mr. Malone: According to the present situation there, yes. That is quite correct.

Senator Everett: I am just wondering whether the Vancouver advertisers at any rate are paying an inordinately high price in order to maintain the *Province*?

Mr. Malone: No, I don't think so. I think your comparison there is...

Senator Everett: I think you will agree this Committee should look into that?

Mr. Malone: Yes.

Senator Everett: To see if that is the case because this is a most unusual arrangement.

Mr. Malone: Absolutely. I think the comparison on rates with other centres gives you a proper perspective of it. They are not out of line with say what other cities of that size are paying for advertising having that many thousand circulation.

The rate is not discriminatory. Through joint publication in the *Province* it is possible to keep two papers going out there.

Senator Everett: I agree that the rate of the *Sun* is not discriminatory. I am just wondering whether the rate of the *Province* is.

Mr. Malone: The combined rate here is as gave your earlier. On the joint rate, the mill line rate of both papers out there, which available to the advertiser in Vancouver, \$3.85. Well, now, Victoria, a much smaller town, is \$5.37. The *Winnipeg Tribune*, \$4.90 so it is not a high cost picture.

Senator Everett: What is the mill line rate of the *Province*?

Mr. Malone: As I say, I have not got the *Province* figures here. I did not know you would want to ask for them separately. I will mail them to you.

Senator Everett: May I say I am not concerned about the *Sun*?

Mr. Malone: I understand your position.

Senator Everett: It is whether you own the *Sun* are giving Southam a lift?

Mr. Malone: Well, frankly, yes, I think you are. Is that your answer?

Senator Everett: How long are you prepared to give them a lift?

Mr. Malone: No. Southam have a heavy interest in Pacific Press and through that arrangement it is possible for the *Province* to keep on going and supply that second paper out there.

The Chairman: May I suggest we perhaps terminate this discussion until the rate card arrives, which, I understand, will not be too long from now.

I think it being three thirty that we should now adjourn to the discussion with the *Ottawa Journal*.

Does anyone have any other questions for Mr. Malone? He is going to be here. If there are any other questions for Mr. Malone at the moment, I am prepared to entertain them.

Mr. Fortier: I have one more.

The Chairman: Yes, Mr. Fortier?

Mr. Fortier: In your verbal presentation this morning, Mr. Malone, in speaking of the resources of the F. P. group and speaking of

correspondents in various parts of the globe, you referred to F. P. having a correspondent in China.

Now, our research has indicated that your man in China was really the *Globe and Mail's* man and that is the way the *Globe and Mail* advertises.

Mr. Malone: Yes, it is a F. P. man. He writes primarily for the *Globe and Mail*. We have access to him.

Mr. Fortier: Is he a group employee?

Mr. Malone: I beg your pardon?

Mr. Fortier: Is he a group employee?

Mr. Malone: No, no. He is paid by the *Globe and Mail*.

Mr. Fortier: By the *Globe and Mail*?

Mr. Malone: Yes. We use his copy from time to time. We had some very good pictures through all our chain. I mean it is available and the other papers have access to Asian correspondents of their own.

Fred Sparks of the *Globe and Mail* can separate from the *Globe and Mail* and separate men.

Senator Prowse: Who do you pay for the staff, the *Globe and Mail* or him?

Mr. Malone: It varies. The other papers do not pay as such for him. The *Globe and Mail* pays his salary. They have the stories and use them. The other papers do not have to pay him for it.

For example, the *Lethbridge Herald* got it for free.

Senator Prowse: They got it for free?

Mr. Malone: That is an advantage to the *Lethbridge Herald*.

The Chairman: I do not want to terminate this discussion, but I would like Mr. Smith to come forward. Mr. Malone you can sit here or you can move over.

Mr. Malone: I will move over here.

Submission of the *Ottawa Journal*, Mr. Norman Smith, President and Editor, Mr. W. H. Metcalfe, Managing Editor and Mr. Lucien Lalonde, Vice-President, General Manager and Secretary-Treasurer.

The Chairman: Honourable Senators, these are the representatives of the *Ottawa Journal*.

Sitting on my immediate right is Mr. Norman Smith, President and Editor of the *Ottawa Journal*. On my immediate left is Mr. Bill Metcalfe, Managing Editor. On Mr. Smith's right is Lucien Lalonde, Vice-President, General Manager and Secretary-Treasurer.

We have received your written brief, Mr. Smith. It has been read and studied by the Senators. I know you have been here for several of these hearings so I will not repeat all the things I usually say at this time.

Please proceed with your statement.

Norman Smith, President and Editor of the Ottawa Journal: I will not take more than about five or six minutes in what is called the voluntary statement at the opening, but I would like to explain about the brief and why it touches rather personally on the history of the *Journal*.

Your circulated questions make clear your concern that nearly half of Canada's papers are group owned. I share that concern, but in reply to your request that I put in a brief, I have reviewed our experience to show that perhaps in many cases the individual owner may have faced the immediate or eventual choice—not of remaining independent or joining a group—but of joining a group or going out of business.

I recall also in 1967 the *Journal* was a public company. A very thin majority of its shares was held by a group of its officers and employees, including Senator O'Leary and myself, but most of those shares were held on a good deal of money borrowed from the bank. The *Journal* had to make good profits to enable us to pay the bank interest, let alone something on the principal. And our control, if you would excuse the term, of the company, was slender.

We were also faced with the problem of how we would buy other shares as some of our group died or felt they had to sell. Many of them were men of very little means. None was a man of any real means. If the revenue were to have seriously fallen off, we would have found ourselves and the newspaper in a precarious position. Any cutting in quality to save expense would aid our competitor, the *Ottawa Citizen*, a well-off Southam paper, not likely to impair its quality to ease our embarrassment.

Our decision to sell was a difficult one, a sad one. I do not say that the sale was an economic necessity. It was certainly an economic precaution. Great resources and great reserves are needed to preserve a newspaper's

independence and standards against a newspaper who has great resources and reserves.

Now, your Committee has asked whether a group paper retains control of its editorial policies. In my brief I have stated the guarantee of that which was in the agreement of sale. Its key sentence was that the then Mr. O'Leary and myself and now I quote:

"will have exclusive control and direction of the *Journal's* editorial course and its news columns will be maintained in their tradition of accuracy and fairness".

Upon Mr. O'Leary's eventual retirement, which we hope will not occur for some years, the control and direction of the *Journal's* editorial policy will pass to Norman Smith, as the paper's Editor in Chief. That pledge has been carried out.

The Committee has asked other questions about groups or multiple ownership. Will they grow, you ask? With regret I expect so. I do not see how your Committee can or should recommend the breaking up of existing groups, but if a reasonable and democratic way of checking their growth can be devised, I suspect parliament and people would like to consider it, but it will be a very complicated thing to work out.

You ask, "Are groups socially desirable?". Well, we all live every day amid things we wish were different. Ideally the country should have one hundred good newspapers under one hundred different publishers and editors, all of them economically equal without subsidy to serve their community and country.

But the question remains: in today's conditions could anything short of government subsidy, which too is socially undesirable, enable them all to survive? I do not think so.

Finally, as to multiple ownership you ask whether it is a good thing that newspapers, radio and television stations be owned by one owner? I do not think it is in the public interest that one company should blanket the field of communications in one area through control of all or a dominant portion of its press, radio and television.

On the vital matter of freedom of the press, I perhaps expand too much in my brief, that is in the submitted brief, but I feel strongly about what is and what is not freedom of the press.

I do not regard freedom of the press as a special privilege of newspapers, but believe it to be only an extension of the fundamental

right of every person to have access to facts that concern him and the right to state his opinions and hear the opinions of others.

I believe though that the press should be responsible and in fact earn and re-earn its freedom every day from the public. Press freedom should be a public decision, zealously guarded. Everyone should know and appreciate what it is. I do not think freedom of the press is endangering Canada now. I do not think this Committee's study is an invasion of the freedom of the press. I do not think it an infringement of freedom of the press to legislate that Canadian newspapers must be Canadian-owned.

I do not think the establishment of a Press Council would necessarily be a blow to freedom of the press, though I do not think such a Council would do much good. I do, however, believe all who would improve the press, including this Committee, should be wary lest with the best of intentions they insert the wedge of government influence that could become control.

Concern has been expressed by Senator Davey and others whether the press is always in good taste or whether it all contributes to unity or whether it fully informs the public. I am worried about these questions lest anything this Committee might conclude could encourage some information czar five or ten years hence to determine for the press and public what is a responsible press.

What is good taste? What is full information? What is national unity? I am aware that there is all through the writing and the speeches of Senator Davey and others a reassurance that your interest is to maintain freedom of the press and I believe this.

My caution rather is what precedents you might here set which can be used quite differently by people who can follow you. I believe only by the assault and battery of ideas in democracy work and only by the assault and battery of news and opinions will the press be a virile force in democracy.

I conclude: I think this Committee's proceeding should usefully remind us all that the public has a right to take a good, hard look at the press from time to time. Our freedom depends upon the public's opinion of us and that will be governed by its judgment of how responsibly we exercise that freedom; but I am convinced that government should leave the running of the press to the press.

If some of us are making more money than good for us, tax us. If we gang up or monopolize against the public interest, crack down. If we are seditious or libellous or otherwise unlawful, hail us into Court, but as to that we put in our papers, good, bad, indent or incomplete, let the public be the judge. Men of politics, I believe, should not shape the press, not if it is to be free.

I think, sir, that is the summary that I could be content with, but I have with me, as you have said, Mr. Lalond, our Vice-President and General Manager and Mr. Bill Metcalfe, our Managing Editor and I am sure if there are questions that you put to me that I cannot answer—I am sure there will be—I will be glad to ask either of them to help you out.

The Chairman: Thank you very much.

Mr. Smith, Honourable Senators, ladies and gentlemen. I think it is appropriate that as we begin this discussion of the *Ottawa Journal*, the Committee should be graced by the presence of Senator O'Leary. We welcome him and as the Senators will realize, and perhaps others in the room should know, Senator O'Leary is to appear as a witness before our Committee. I believe it is the eighteenth of February, and not only to discuss the *Ottawa Journal* but as well we are anxious to have his views on the entire media spectrum. We are particularly pleased he is here now. Welcome.

We will begin the questioning, Mr. Smith, with Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman. I am very impressed with your submission, Mr. Smith.

Mr. Smith: Thank you.

Mr. Fortier: It is one of the most eloquent we have heard since these hearings began.

If you were publishing a newspaper in Edmonton or Halifax or Winnipeg, would it be a different kind of newspaper than the *Ottawa Journal*?

Mr. Smith: I hope so.

Mr. Fortier: What are the special or particular circumstances in Ottawa which dictate this kind of newspaper which this community needs?

Mr. Smith: Well, I would say first that every newspaper should be shaped somewhat by the community it is in and that is why I answered, I hope not flippantly—"I hope so". I

believe a paper should be very closely identified to its community in its nature, in its utterances, in the things it regards as of importance.

Now, going on to the question you asked; what should shape a paper in Ottawa? There are a number of things that should shape it. We would have, of course, first to say the fact that it is the seat of Parliament and the seat of the Civil Service and of the Courts and the other fringe benefits of government life. We should, therefore, in Ottawa try to be a paper of some record as to what is going on that is of importance.

We should have people writing editorials who, if only because they are here and they have the good fortune to be able to rub elbows with members of the Government and Government service, we should have editorial writers and reporters and others who are pretty well acquainted and would know what they are talking about.

Now, before any Senator goes on to ask me, "Well, do I think we do all these things?"—of course, I do not think we do all the things we should. We are now limited. The limitation of the "should" factor is surely in part a limitation of the size of the city, of the population of the city, of the market, of its circulation, of the type of paper that will be read.

There is a good paper, in my view, in Toronto, called the *Globe and Mail*, which is coming as close as any paper in Canada to being or coming very close to being a paper of record. I would suggest they can afford to do that, not simply because they want to do that up there—we would love to do it—but they can afford to do it because the minority of the people in a large community like that want a solid paper of record and will read it and they draw on Ontario, and to some extent other provinces. The minority is large enough to still make it economic for them to put out a good newspaper. In a smaller city of any size the minority that is interested in this kind of thing is not large enough to make it economical.

Mr. Fortier: But in specific terms, how does the *Journal* perform this function of reporting and interpreting the opinions of Parliament, of the federal political scene.

Mr. Smith: Well, one answer to that, I suppose, is you would be a better judge of that than I am. We feel that we are doing it as best we can and within these limitations, these limitations of size and the different economic ones to which I have referred.

If we put out a vastly improved paper of greater content, of greater use of text and so on—although the *Journal* runs quite a lot of text—I doubt very much if our circulation would go up. I doubt if it would go up and I would not be surprised if it would go down; that is, if the other paper continued to put out the kind of paper which the average Canadian—and in this I do not mean to be maligning the average Canadian—but the kind of paper that the average Canadian wants to read—

They are not going to read text. You and I may hope they would. I may be interested in text and we do, I think, run in the *Journal* possibly more text, speeches and comments, than any other paper, but I am not kidding myself, they are not read.

Mr. Fortier: You said that possibly I—this is the Papal “I”—you were suggesting that the members of the Committee and the researchers would be better judges. You have led with your cheek and I will follow that up, if I may. Our researchers have made a study of the coverage by the *Journal* of the Ottawa political scene and their conclusions are inescapable and those conclusions are: you appear to make very extensive use of Canadian Press dispatches.

Mr. Smith: Yes.

Mr. Fortier: In reporting what occurs in and around the Hill?

Mr. Smith: Right.

Mr. Fortier: More specifically, I have here the first pages of the two sections of your Friday, October 24, 1969, edition, which was the day of the opening of Parliament.

The Chairman: The day following.

Mr. Fortier: The day following the opening of Parliament. The *Journal's* front page and second page contain no staff written stories at all. There were seven stories by Canadian Press. The only staff written story of any kind on the two front pages is a small item about the weather forecast for the next day's football game.

You have asked me what do I think. I cite this fact and I ask you for your comments.

Mr. Smith: If I may say so, it is a perfectly good question. Perhaps wrongly, it does not embarrass me somehow. I think when you think about the opening of Parliament and that kind of day, there was a great deal of

routine and formality and what you might call straight news that is occurring on the Hill on that occasion. Canadian Press is no second-rate outfit. It has got a number of people in Ottawa. It has got the kind of staff a sufficient number, so that one man can become, not necessarily an expert, but it becomes rather an authority on a particular field.

The C. P. people can then fan out and cover such a day as that and cover it pretty well, and we think effectively and we think fairly.

The *Journal* has two people in the Press Gallery directly of its own. Three people, but two in a regular way, and we can send out someone to cover some of the main, straight Parliamentary stories, a debate in the Commons. We can do it. There is no question and sometimes we do, but we would, in doing that, realize that Canadian Press is going to cover this as well. We would check through the story to see whether it seems to be well before we would count on it completely and instead of sending another man to write the same story that C. P. does, we try—not necessarily on opening day—to have our reporter write in the news from their viewpoint, that is from the viewpoint of the Ottawa paper, the *Ottawa Journal*, which is the viewpoint you are asking about now.

Mr. Fortier: As a member of Canadian Press, you depend through the wire service on stories which occur in cities across Canada, where there are newspaper members of Canadian Press and I would have thought that similarly in cities other than Ottawa and throughout Canada, there would be members of the Canadian Press who would particularly rely on the *Journal* for a whole written story rather than on the Canadian Press dispatch from Ottawa.

Mr. Smith: I am sure they do and the Canadian Press, I have reason to believe, uses a large number of *Journal* stories from time to time. You would find them, I think, in many *Journals*. You picked a good key day there. You have every right for picking that day, if I may say so, but you could have picked a day when the *Journal* has had many as five or six of its own stories...

Mr. Fortier: I am sure I could.

Mr. Smith: On those occasions, I am sure the Canadian Press has been using that copy and sending it out to the others; but there is a little difference I think in filling the position

of an Ottawa paper or of the *Ottawa Journal* with other cities in using the Canadian Press, and that is, as you say, we would depend on the Canadian Press sending out news from Edmonton and so on.

There would have to be a number of people of Canadian Press in Ottawa. This is their longest writing staff. This is the heart of C.P. reporting. It is what C.P. is all about, to try to present this national picture. I think it does it well so we are in a position where we think we can use it and we would make a mistake unnecessarily to write our own stories, if we think theirs are right.

Mr. Fortier: Are other reporters assigned to cover public service as distinct from government and politics at the *Journal*?

Mr. Smith: Yes, sir. We have four or five that you may call—not exactly senior reporters because what do you call “senior reporters”—four or five very experienced reporters in addition to the Press Gallery, people who have a city beat and a departmental beat. We try to maintain particular interest in one type of department and one another.

I do not wish to be and I hope I do not sound boastful here but as I have said in my preliminary answer, we know our coverage is a solid square, but we think that, relatively speaking, for a paper of our size and in our community, it is not bad.

Mr. Fortier: Would it be fair to say as has been suggested to some members of the Committee, you are making more extensive use today of Canadian Press dispatches emanating from Ottawa than you did ten years ago?

Mr. Smith: I do not know whether that is so so I cannot say whether it is fair. I do not believe it is so, but if it is so I presume that there is no reason for that, other than the fact that the Canadian Press has improved immensely in its strength.

It had very good men before, people like Jack Sanderson and Clyde Blackburn—the members around and the Senators will recall them—but it is a very large staff now and it is in effect operating around the clock. It is able to put out a much more thorough report. I think the C.P. report out of Ottawa is really a outstanding report of capital news. I think you would find difficulty in putting out, generally speaking, the over-all coverage of Canada and Canadian news from Parliament better than the C.P. puts out; even if you got a many more doing it and doing it for an independent paper.

Mr. Fortier: Are we to understand that as matters now stand you can conceive of no way in which the Canadian Press can be improved?

Mr. Smith: No.

The Chairman: I do not think the witness said that, in fairness.

Mr. Smith: I hope I did not say that because I am sure that any service can be improved. Goodness knows my own writing could be improved as I discover every night later in the evening when I read the damn thing on my own chesterfield.

The Canadian Press services can be improved.

Mr. Fortier: Can you tell us...

Mr. Smith: We count on C.P. for these things for the reasons I have given you. May I just suggest that one of the reasons perhaps we count on C.P., maybe should be approved by the Senators, and that is we tend to work parochially and in looking at Parliament we tend to look at Parliament just as Ottawa would.

We try not to write Parliament just from the point of view of the *Ottawa Citizen* and what is interesting to him because it is juicy or scandalous or something. C.P.—we want all the news of Parliament, so to speak, but C.P. does look at Parliament as a national organization and its balance therefore has to be pretty broad, and I think perhaps to do that, it is not a bad thing and if we did not, you might find there was a plethora of stories in the *Journal* reporting in a way that did not suit you as well as C.P. does.

Mr. Fortier: The Committee is considering, amongst other things associated with the press, the calibre of the service given to its member newspapers by the Canadian Press. In your own experience, can you tell the members of the Committee how Canadian Press can be improved?

Mr. Smith: I suspect you already know this, but you are wondering whether I am going to admit it so I will.

I should declare self-interest or prejudice or whatever it is here because I happen to be Vice-President of C.P. and I also worked with the C.P. for ten years before I got into the *Journal* so that I think C.P. is pretty good for obvious reasons.

How could it be improved? I think, sir, you asked John Dauphinee and Harry Sutherland when they were here on the stand and I think they too said that they did not feel they were putting out an ideal service.

They did stress to you that they were always interested in suggestions from other papers on how it could be improved and this was always being sought. The Canadian Press service is not a unit of itself, as you know. It is an organ of all of the papers and Canadian Press asks its members, "How does this service not please you and in what way?", so I think that does not answer your question, but if I can answer it—how can it be improved...

I think that is a long question and I would rather duck it at this point, not because I do not think it can be improved, but it is rather a thing one would have to balance.

May I leave it at that now? If you feel I am ducking it, come back at me again and I will try again.

Mr. Fortier: Were you here yesterday afternoon, I believe you were, when Mr. Gratton testified...

Mr. Smith: I was here yesterday morning. I spent yesterday afternoon wondering what I was going to say to you today.

Mr. Fortier: Mr. Gratton in his presentation yesterday afternoon concluded that in the point of view of the French newspaper, the members of the Canadian Press group, that the services were not all that they could be from the point of view of time, for example.

He said that he considered that the *Journal* and *Citizen* were his competitors in the field of newspapers in Ottawa. He said he was at a disadvantage with his competitors in that very often he had to translate the Canadian Press dispatches, which you, of course, could edit, as you see fit and publish much more quickly.

That is a fact, is it not?

Mr. Smith: I would think so.

Mr. Fortier: Have you any suggestions as to how this can be remedied, short of a French Canadian Press?

Mr. Smith: Well, this is really a question for the Canadian Press, but if I may assume for a minute and try to answer it for the Canadian Press.

I think that perhaps a short answer is that five years ago if you had asked me that ques-

tion, the Canadian Press would have been pretty embarrassed about it. A lot of progress has been made in the last five years and I think that if you check with people like Claud Ryan and others, I think that Claud with that lovely dimple of his, will smile and say, he would like it much better but that has probably improved more in the last five years than he believed it would.

Mr. Fortier: He told us that.

Mr. Smith: Did he? There was a good, long way to go. I think Aurele Gratton is quite right when he says he is at that disadvantage. It is not an easy problem to gear the Canadian Press, which has a hundred and one members or whatever it is, to a completely bilingual system. It would be highly uneconomical and so on, but it is getting there, I think.

Mr. Fortier: We will leave the Canadian Press for the time being, but we will stay the same bilingual note, if I may. More than forty per cent of the greater Ottawa population is French-speaking and the *Journal*, from my point of view, I believe, is editorially sympathetic to the special problems of French-Canadian in Canada in general and Ottawa in particular.

Can you tell the Committee how your newspaper specifically serves this segment of the community?

Mr. Smith: I am glad, Mr. Fortier, if I may say so, that you did include generously in the preamble you found our paper is sympathetic. I think you said, to the French side.

I raise that because it may be that that is my main answer to you.

We have been, I think, in the *Journal*, with some people, who write letters to the editor, call rather violently pro-French and in stronger terms than that and this despite the fact that we have been "pro-French"—despite the fact much of our circulation is in Carleton County and so on where there are no many French-speaking Canadians.

We do this simply because it happens to be our national policy. We believe in this. We have supported the B and B recommendations, not all of them, but pretty considerably.

We have raised our voice repeatedly against the City of Ottawa editorially in dragging its feet with such things as signs and things like that. These things we have done.

I have a feeling this is the way a paper can best serve or that is one way.

Another way: I think we try to see that any important meetings in Hull or in French-speaking areas in Ottawa are covered. I assure you that we ask these societies from time to time or organizations to keep us informed, to tip us off.

I assure you—maybe, I think, it is only forgetfulness. They often do not. This is understandable. I am trying to sneak up sideways to your story: how do we cover it?

Mr. Fortier: Only by bilingual editorials?

Mr. Smith: I was just going to say: I think I will put the question that you were too polite to put. That is, how many bilingual reporters do we have?

We do not have enough but we do have more than we did a few years ago and we do make a real effort to try to get more, but it is not easy and it is not just because of economics. It is not just because we would not be able to pay them or would not pay them enough.

Bill Metcalfe has had this happen to him repeatedly. He has a good man and he is working well and he likes it and he comes to us and he says, "Look, I have got an offer of a job in the Government, one way or another in a bilingual kind of position and also it is going to be pretty exciting. I know there is a good future and I am going."

No city in Canada, I guess, has the same demand for bilingual reporters and newspaper people right now as in Ottawa. Everybody in Ottawa—everybody in government service wants these people, so we do not have as many as we should.

Some reporters are certainly being encouraged and helped by Mr. Metcalfe to try to take a French course and this kind of thing. I think we are getting better. We are going to try to keep getting better but in the short run that is it.

Mr. Fortier: You are up against the government, in effect?

Mr. Smith: In a lot of ways.

Mr. Fortier: Speaking of reporters, is there a lot of raiding of reporters between the *Citizen* and the *Journal*?

Mr. Smith: I would have guessed not. It seems to me that there are a number of quite good papers outside of Ottawa that realize that good reporters the *Journal* trains and they tend to steal them. The *Journal* trains them very well and then some archful man

like Jim Cooper and B. Honderich says, "Look, you are doing very well. How would you like to come up to us?" But I do not think that there is a lot of raiding between the two papers.

If you want a more direct answer on that, I am sure Bill Metcalfe would give it to you.

Mr. Metcalfe: No, I have been here nine years and I have never made an approach to anybody whatever on the *Citizen*.

Mr. Fortier: Do you have a no-raiding agreement with the *Citizen*?

Mr. Metcalfe: No, none whatsoever, but I am trying to think. There are former members of our staff now working for the *Citizen*, but I do not think that any of them went directly there. Perhaps one or two went. I think they left our staff and they went elsewhere and then moved to the *Citizen*.

Maybe one reporter on the *Citizen* went directly from our paper.

Mr. Fortier: We have been told that the *Journal* in Ottawa does not campaign very hard for circulation in the city and the *Citizen* in return has no vigorous circulation drive in the surrounding districts. Would you care to comment on that?

Senator Prowse: Call me for a witness on the first one.

Mr. Smith: As the Chairman said a couple of times earlier today, I would like to know who asked that question or made that comment because he is mad.

Mr. Fortier: I think you should be given a chance to reply.

Mr. Smith: I have replied.

The Chairman: You replied very well.

Mr. Fortier: There is vigorous competition between the two newspapers in Ottawa?

Mr. Smith: So vigorous that about once every two weeks my 'phone, amongst everybody else's, is called by saying, "This is the *Journal*. Would you like to subscribe to the *Journal*?"

The Chairman: Do you think that those 'phone calls represent the best public relations in the world?

Mr. Smith: I think they do not represent good public relations at all but I regret to inform you that they sell papers.

The Chairman: Well, that is a good answer.

Mr. Smith: It continually amazes me the number of people who are not buying a paper will buy it if they are called on the telephone.

Senator Prowse: Often enough.

The Chairman: I am prepared to have Mr. Fortier carry on but I would point out to him that we want to begin another newspaper at four thirty.

There may be other Senators who have questions. I am not saying you should terminate.

Mr. Fortier: No. I will give somebody else a chance.

Senator Prowse: Did F. P. buy you or did you merge with them?

Mr. Smith: They bought us.

Senator Prowse: This was a straight out purchase by F. P.?

Mr. Smith: A straight purchase.

Senator Prowse: Was there any exchange of shares or anything like that?

Mr. Smith: No.

Senator Prowse: The thing I am interested in is this: you said you were not in a position where you had to sell, as I understand it, but in 1959 this sale took place?

Mr. Smith: Yes.

Senator Prowse: You were concerned that you might lose control because your individual members, who were in the control position, might not be able to buy shares which could become available which could throw the control to somebody else. Is that a correct interpretation?

Mr. Smith: That is part of it, Senator. Also, we were concerned—I think it is almost correct for me to say that every one of our group who could re-sell—there were eighteen or twenty of us—I think it is correct to say every one of us were into the bank on the shares and some of us, including this one, was a long way into the bank.

Senator Prowse: You are among friends. Go ahead.

Mr. Smith: I am through. That is all it is. It was not just a question of what would happen supposing some of the older or some other

employee left. It was not just that. It was knowing that for this paper or all newspaper back then the future was not too assured economically. We were still in one of these kind of rubs.

Senator Prowse: Figuring out what they might do?

Mr. Smith: Yes. So the theory was—well, is it better to assure that this *Journal* goes on or is it better to hope that it will go on and some of us will enjoy the privilege of being able to lead it on which God knows, we would like to have done.

It didn't seem to me—and I will not blame this decision on other people—I will just speak for myself, but other people, I think shared it right through our team. It seemed to me this would be a selfish solution to risk hanging on to the point of a fire sale or something of that kind.

Senator Prowse: Yes?

Mr. Smith: And the Senate is interested in avoiding monopolies.

Senator Prowse: We may or may not be.

Mr. Smith: You might be...or holding on to property so long that it was getting so tight that the only conceivable buyer might be the Southam News Publishing Company.

Senator Prowse: Are they the enemy here?

Mr. Smith: Yes, not so much the real enemy but enemy from my point of view psychologically anyway. It was hard enough if I may say so, for Senator O'Leary, hard enough for Gratton and for me, to sell the paper at all and face the criticism we knew we were getting from our friends for selling but it would have been unbearable to sell. "You sold it to the opposition and you took from Ottawa the situation of having two English papers at the site of political conflict. You let it go over to the one..."

Senator Prowse: The friends who have the right to criticize you were not willing to buy you out of your difficulty. I should not say that. I apologize for my question.

Mr. Smith: I think that is a fair question. I think anything is fair in a Senate inquiry.

Senator Prowse: That occurred to you?

Mr. Smith: Even if the friends had been willing to come in and say: "Well, all right John or George wants to sell his one thousand

shares or something, we will buy them,"—but that doesn't get you to first base, towards the large stock of resources in strength and know-how that you have to have if you are buying new presses and building a building.

These little bits of money here and there were not going to help.

Senator Prowse: In other words, the thing that was worrying you was—pardon me, I am not trying to put words in your mouth—but it may save time.

The picture I get is that you were in a position where there was a possibility you might need to make some very extended expenditures and you were already committed, from your brief, to the point where you did not have the resources and you did not know how you were going to be able to finance them without maybe losing the paper together and depriving Ottawa of a competitive situation. Is that a fair statement?

Mr. Smith: That is an accurate statement, Senator. It is fair and it is accurate.

Senator Prowse: Now, the thing that I am interested in is this: you were making money then. Do you make more money as a result of being a member of a group than you would as a private company? I am trying to find out the financing of a group or the rationale of group ownership.

Mr. Smith: Let me speak for my part of it first. It seems to me the last annual profit—were a public company—I think it was \$42,000.00. I am here to tell you that a profit of \$142,000.00 in big newspaper leagues is a profit at all.

Senator Prowse: It is a pretty small percentage.

Mr. Smith: For instance, talking about the hazards you outlined, you overlooked something. Supposing a strike might have hit us. Suppose it might have hit both papers. We could not have any of this kind of defence.

Now, this is my feeling about the situation as to profit that we were in. I should say, that we felt we couldn't risk it further and we sold at a time and in the way that we felt and to the extent that words can guarantee things, it would be maintained according to its principles so splendidly set out by Senator O'Leary. They would maintain its staff. It would maintain its political policies or any policy its editors wanted to espouse.

We decided well, in this way we can keep the *Journal*. Now, if you then ask, "Well, are the new owners doing better financially, I would suggest you ask the new owners and leave me out of that part of it."

Senator Prowse: From the paper itself, are you able to offer any editorial services as a result of your membership in the group that you were unable to offer as an independent had you maintained private ownership?

Mr. Smith: Oh yes. We have greater facilities to buy features. There is more money in the bank. You can think of some of the people we have got, the New York Times Service which I think we used very effectively, if I may say so. James Reston and people like this. *The Manchester Guardian*, we tie up with. This again, I think, is a kind of intellectual service, which is a good one.

We are able to use columnists of the kind of Mr. Westell and so on. We are also—maybe I will let it go at that.

I think—not so much because of being in the group—but of having the financial nightmares behind you, you may now spend what money your paper is earning with some confidence and you may use it to buy more features.

Senator Prowse: In other words, you can take a risk because you do not have to be too concerned if it happens to be bad judgment or you get left out. Is this what it is?

Mr. Smith: This is very much what it is. Speaking of rainy days, may I insert a comment here. I went up at lunch time today to the Victoria building office of this Committee and I was amused. I have no idea what his has got to do with the subject but I will finish it anyway.

I went to the office and I was told to get off the elevator and go along the hall. The first door I came to was the Senate Committee on Poverty. The next door was the Senate Committee on News Media, so I said, "By God, I could have been going into the other one."

Senator Prowse: My recollection is you went past the one on media and ended up in the one on poverty?

Mr. Smith: I might have.

Senator Prowse: In other words, in your particular arrangement anyway, you have maintained your complete editorial independence under an agreement of purchase. Is this generally true?

Mr. Smith: Senator, I reduced that part of my statement to as few as possible words so it would be utterly clear and unambiguous, that pledge of editor independence has been completely kept.

The Chairman: Senator Phillips.

Senator Phillips: Mr. Chairman, in the brief, Mr. Smith, you referred to the idea of a press council and suggest that it not be a code-bound council and you said "More people should question our judgment. Experts should expose our mistakes". Now, what type of person would you consider an expert and in what manner would he expose our mistakes?

Mr. Smith: Well, a lot of them are from out of town. Apart from that...

Senator Phillips: There are a lot of people from out of town. Would you consider them all experts?

Mr. Smith: I think what I mean—I am sorry it wasn't clear—was that the press makes a lot of boasts of all the letters to the editor we run and how we let anybody say what is the matter with us and so on.

That is a fair boast but I do not think it is as good as it should be and I think one of the reasons is that not enough of the right people write letters.

We get this right in Ottawa particularly when for one reason or another members of Parliament or perhaps members of the Senate or members of the Civil Service—that is more understandable—or doctors or lawyers or businessmen will say, "Oh, that was a lot of nonsense that you talked yesterday."

Well, I say, "Write us a letter."

"No, I wouldn't be seen writing a letter to the press."

I guess what I meant was that experts are people—that was a stupid word to use—I mean people who have a right to an opinion. I do not mean because of their social status, but because of their knowledge. They should write us and they should say, "Look, you are not only a damn fool paper but you are a damn fool paper for this reason and they should expose our errors and if they know—we have told them—if they will write us a letter, even if they don't want to sign it, we will run it.

I think the public should be more encouraged and the responsible people in the public should be more encouraged to take a role in exposing the errors of the press.

I have a hunch that if I have to run—and will run one of those letters—excuse the "I" but I have to make the decision on letters to the editor, if I had to run four letters in succession exposing that we were really factually wrong and wrong in other ways too—particularly if it is my own editorials—presumably I am going to write more carefully on the fifth day and so on.

This is where I think that the public has a chance to improve the press more but it is not using it.

There is a move to improve the quality and it is improving notably. The *Globe and Mail* has, if I may say so, a first-class collection of letters.

I see that the *Toronto Star* is going to move into this field more extensively. We get some good letters but we do not quite get the letters that we would like to get and that perhaps for understandable reasons that many are members in Parliament or in the Civil Service in Parliament and they feel they should not.

Senator Phillips: On page nine, Mr. Smith you referred to a government with a zeal for management of information. I presume that your thought—probably I am reading between the lines and not interpreting you correctly—that you are opposed to the information agency as presently being considered by the Government?

Mr. Smith: Where are we, sir?

Senator Phillips: Page nine, at the top page nine of your brief.

The Chairman: Starting the third line, government with zeal.

Mr. Smith: I do not think that was directed so much to a particular information agency but I think within reason, if the government can improve and consolidate and edit and make more accurate the news it gives out and increase the accessibility of news to the Press Gallery and the people who want to get it, I think there is nothing wrong with that.

I think I probably had in mind more an extension of some of the statements about how the press should do more of this and more of that and it should inform more fully or it should do something to maintain unity or not to maintain unity.

Any extension of this into a government Committee or into the government, if the government were to survey the press to see whether it is doing this as well as it should

think that would be a mistake. That could become an infringement on freedom of the press.

Senator Phillips: One short question, if I may, Mr. Chairman, before we close. On your opening remarks you referred to the fact that Mr. Malone would set forth the relationship between your company and its parent company and I notice your brief was submitted on December 22nd. This is January 22nd and I am curious as to how you knew what one of the out of town experts was going to say before he said that.

Mr. Smith: Senator, I am glad you asked that. It was set out in your letter and in your guidelines that you were going to be asking F.P. to report on the thing, on the corporate affairs and its relation and its general conduct of the group, so to speak.

It was set out in your guidelines, in your letter to me, a very nice letter, if I may say that, that we would like you to talk about anything you like but also about your relations with F.P.

Now, you have refrained from asking but I will tell you that to this point so far as I know, Dick Malone has not read the brief that I have given to you. I didn't send him my brief.

Senator Phillips: That is the answer.

Mr. Smith: I knew this may have been your question. I did not send him my brief nor did I ask for it. This was done completely independently for the reasons I suspect you people would want to hear from me.

As I said, I did not send it to him and so far as I know he has not ever read it. I do not know how he would have because I did not send it to anybody in Winnipeg. I am not filing with words here.

This is an independent submission and I suggest to you it is pretty considerably to the credit, if I may say so, of the head of the group, so to speak, that he has not asked even to see what was going to be in this brief.

Senator Phillips: Thank you.

Senator McElman: It has been suggested by me, Mr. Smith, that the nebulous thing, "freedom of the press", should be enshrined in the constitution. As a capital newspaper journalist of record, how would you react to such a proposition?

Mr. Smith: Well, it is enshrined in the constitution of the United States very early, article two or three or something. I do not know that helps things. If you enshrine it, you give it a special right and I am not so sure the press should have a special right.

My conception of the proper definition of the freedom of the press would be that it is only an extension to the press, to the printing media, of the public's right to freedom of speech and once you start excepting and enshrining in the constitution the freedom of the press then (a) you are treating it separately and specially and (b) you could be inviting abuse of it.

I do not think we should invite abuse of the freedom of the press.

Senator Prowse: You also accept interpretation?

Mr. Smith: Yes, exactly. Who is to decide when is the press free and when it is not and so on. Someone presumably must interpret that particular clause and it could be interpreted quite differently, according to the times and according to the particular emotional fervor that is sweeping across the country for a minute or two, one way or the other.

Whereas if you leave it in the law as it is,—that is to say not in the law—if we are simply carrying on, as best we can, the extension of the public's right to talk and to act and so on, then my guess is that I would leave it like that.

But, I should say I am awfully glad that you are going to be, as of course you would, hearing from Gratton O'Leary, which I must call him, because he knows more and feels more things in his mind and in his pores than certainly than me and most anybody else in Canada, but since you have happened to have asked me this question, no, I would not enshrine it.

Senator McElman: In what you described simply as an extension of the freedom of the individual,—you would apply the same principle, I take it, to the right of the journalist to protect his source of information in the courts. The same principle would apply?

Mr. Smith: I have a feeling the journalist has the right to protect his source of information and the court has the right in certain circumstances to put him in jail, if it sees fit.

Senator Prowse: May I ask a supplementary question?

The Chairman: Well, I am anxious to begin the next brief.

Senator Prowse: Just one question.

The Chairman: All right.

Senator Prowse: Do you feel that the present situation, where the risk of jail is there and there is no opportunity for a person abusing the privilege, may be a better thing for the protection of the public than the legal protection of the right to non-disclosure of sources would be?

Do I make myself clear?

Mr. Smith: Yes, you do. I am trying to be clear in my answer, which is much harder.

I think that if the thought is present in the mind of a reporter that if he does not get things right he is going to have to attribute it to somebody, and he must be able reasonably to document it, is going to be a worthwhile restrainer on him; otherwise I could imagine that anybody told me anything and I could write it but I was not told by an informed source and so on—and if I could get away on that by not having to reveal my sources it is going to make for a less responsible press.

The Chairman: Thank you.

Senator McElman: You have heard the discussion today of the agency that *Pacific Press* has. At the time of the sale of the *Journal* to the group, if such arrangement had been suggested for Ottawa, would you have participated?

Mr. Smith: I would have looked very closely into it. I might have.

Senator McElman: If you had...

Mr. Smith: I might have, yes.

Senator McElman: How would you? You have already told us that you were concerned about the people of Ottawa's feelings even about the sale. How would you?

Mr. Smith: The people of Ottawa would have reacted to such an arrangement—I guess they would have been as confused as the people of Vancouver and as annoyed for a while, but a lot of these feelings are out of ignorance of what the situation is.

I have the feeling over a period of half a year or so we might have explained just what this would mean.

I am not saying I would have done it because I do not know enough about it. I know the circumstances, but I have not thought of applying them to the circumstances in Ottawa. I think that is why I cannot answer your question. I think I understand somewhat the situation in Vancouver but I have not thought of applying that to Ottawa. Frankly it never occurred to us. It did not come up.

Senator McElman: In principle, would you think that this type of arrangement, if it were to become the trend in Canada, would be inherently good or bad for the industry and for the public?

Mr. Smith: I would suppose it might be good for both, not that it is particularly desirable but it might be good, if only by that means in some areas, you would maintain two papers rather than one. We get ourselves into balancing two things. Which do we want most? Do we want more papers? Do we want as many papers as we can have? That is the whole thing.

Or do we want absolutely as few groups as we can have and as small groups as we can have and as little joint agency production as the kind you mean?

I am not sure which is greater. My feeling is that the aim should be to have as many papers as you can maintain, as can be managed. Keep papers going and I think it may say so, somebody was asking this morning or yesterday, "Well, how far can you go? How far can you go in that?" "How far would you extend your paper or chain?"

Now, if you look at that for a minute. You might say, "All right not past twenty-two, eighteen or thirty-six."

Well supposing the very next case that came up was in a small town and that person had no chance of going along and no independent person wanted to buy it but one of the groups said "Well, all right, we think this sort of thing will go. We will maintain it and we will buy it."

This situation you will come up to and it will come up to. Now, is it a bad thing that that particular group now has four instead of thirteen?

I kind of think it is. I do not like the idea of extending groups as I have said in the brief, but on the other hand I think it is a worse thing if any legislation or a public consciousness were to dictate that this must happen and so then this town loses its paper

Senator Everett: Are you saying that the paper could be maintained even though it is losing money by the chain?

Mr. Smith: Presumably it can be having a better chance of being maintained. There is a share of know-how here, surely, and it may be removed from the old business of a state taxation and so on.

Senator Everett: Let us not talk about a state tax or any other reason like that, but just if on the straight operation, it cannot maintain itself. It is losing money. And the chain buys it and cannot turn it around into a profit. Do you think it should be maintained?

Mr. Smith: I think this question arose out of the first one: that is, might it be maintained on the joint basis as in Vancouver?

Senator Everett: Not even on the joint basis. It could be a newspaper in an individual town.

Mr. Smith: Yes, and the chain decides to maintain it.

I think that any chain that I know of, if it decides to maintain it, is going to be damn sure it is not going to lose its shirt. It believes it will have a reasonable chance to put out a paper and not lose any money and maybe make a little.

Therefore, I think if the chain is increased and does maintain that paper, it is better than having the paper being lost.

Senator Everett: If the paper were a chronic loser even under the management of chains, you would agree then it should be shut down?

Mr. Smith: Yes. I would agree that it is the right of the chain to shut it down.

Senator Everett: Do you think that chains should shut it down?

Mr. Smith: Well, I do not own a chain. I do not think I would say it should be shut down. I think it should be left to the judgment of the group to decide or the chain to decide.

Senator Everett: Do you mean that advertisers in other cities and other communities would be subsidizing a newspaper in another community?

Mr. Smith: Well, you could put it another way. They would also be subsidizing the citizens of a community to have a paper.

The Chairman: Senator McElman, are you through with your questioning?

Senator McElman: Not entirely.

The Chairman: I am most anxious to get on to the next submission. But by all means finish up. I think that perhaps Senator McElman's questions will complete the discussion with the Journal.

Go ahead.

Senator McElman: Mr. Smith, late in 1969, I believe it was, November or December, there appeared in the Journal a report of an address that you gave at the University of Waterloo and the clipping I have is headed, "Society must expose ills before it can ease them."

You were speaking about challenges and attacks upon established institutions of the nation and including attacks upon the established press. At one point you said, "Perhaps the press was wearing a halo of freedom of the press at too jaunty an angle to suit its own vanity. Perhaps we had been regarding what we like to call the Fourth Estate as a private rather than a public preserve."

Does that comment reflect the growing influence of chain ownership or stress upon the economic over the traditional service aspect of publishing?

I am sorry to extract something from this by itself but I do not think I have quoted out of context.

Mr. Smith: Would you mind giving me even the first sentence?

The Chairman: Here is the clipping.

Mr. Smith: I do not think it is in the context of groups at all.

Senator McElman: No, I do not suggest it was. I was asking if this had any bearing.

The Chairman: Do you want to put the question again now he has it in front of him, Senator?

Senator McElman: I simply asked if this comment reflects the growing independence of chain ownership or does it put stress upon the economic over the service aspect of publishing?

Mr. Smith: I do not think it really refers to either. I think that one sometimes hears newspaper people raising the question of freedom of the press in defence of things that are not related to the freedom of the press.

I think they do more harm to the conception of freedom of the press by doing that than they realize.

Freedom of the press, I think, is—when I said we may be wearing a halo at too jaunty an angle, in the first place that is one of those flights of words reporters go into. Excuse me. It is hard to define. I think I meant in that that we were reaching too fancifully sometimes to excuse our shortcomings under the heading of, "Well, this is our freedom of the press and leave us alone." Does that answer your question?

Senator McElman: The only other thing I would like to say, Mr. Chairman, is that I was very interested in the suggestion that more people should write letters to the editor and I am entirely confident that they would be welcomed by you but there are those who have tried that and still can show the bruises. Not here, sir, but in some other areas.

Mr. Smith: Well, that's life.

The Chairman: Perhaps in thanking you, Mr. Smith, I could be forgiven if I quote just one other sentence of the speech you made at the University of Waterloo. You said and I quote:

"No harm will be done if the Davey Committee gives us a bit of hell and perhaps even good."

I was grateful for that comment at the time.

Mr. Smith: Well, do not take me too seriously.

The Chairman: Thank you very much.

Ladies and gentlemen and Senators. We will adjourn for about five minutes and at five to five we will reconvene to hear the brief from the *Globe and Mail*.

SHORT RECESS

(Upon commencing at 5:00 p.m.)

Presentation of the Globe and Mail and the appearance, James L. Cooper, President and Publisher, Earle B. Richards, Vice-President and General Manager, Richard J. Doyle, Editor, George Bain, Columnist.

The Chairman: Honourable Senators, we are running not too far behind schedule. We are going to receive the brief from the *Globe and Mail*. Sitting on my immediate right is

the President and Editor, Mr. James L. Cooper. On his right is Earle Richards, Vice-President and General Manager. The editor of the paper, Mr. Richard J. Doyle, is sitting to my immediate left and on his left is correspondent, George Bain.

I think, Mr. Cooper, with your forbearance, before we begin to discuss the *Globe and Mail*, we may just take a word in completion on the Pacific Press matter which we were discussing this morning.

I think, Mr. Malone, that you were going to obtain I think what was called a flat rate for buying advertising in combination. I think you were going to secure or attempt to secure for us the individual rates for the *Sun* and for the *Province*.

Mr. Laking: I think you will probably know we are most scrupulous in not over-stepping each other's newspapers. I think Mr. Malone probably has it.

Mr. Malone: No, they are not available in the *Journal*. We sent over for them. I thought we might have a set there. We have telephoned Vancouver and asked them to mail them to you.

The Chairman: I used the point about the agency referring to Standard Rate and Data which was this publication, *Canadian Advertising Rates and Data* and this is the current issue which you looked at. As you discovered and I discovered at the same time it does not have the rates for the *Sun* and the *Province* but only the combined rates.

When I suggested to you that advertising agencies use this as the basis of purchasing advertising, you said that you mail individual rate cards to the agencies.

Mr. Malone: As far as I am aware, that is correct.

The Chairman: While we have been meeting here this afternoon, our staff has been busy. We have telephoned three advertising agencies in Toronto. We phoned Goodis, Goldberg and we phoned Vickers and Benson and we phoned Foster Advertising.

In each case we spoke to the Media Department. I should not say, "we". Our staff, however, spoke to the Media Department and tried to secure these rates for placing advertisements singly in the *Sun* or in the *Province* and I am informed by our staff that at none of these agencies did they have this information on file.

We spoke in each case to a senior member in their Media Department. Comments were made in each case that they could get the information from the Rep but they did not save them on file and according to the note I was given, it would be rare they would want to insert an advertisement on an individual basis. So the question I must ask is this:—and apologize to the *Globe and Mail* people for resuming on their time and so the question I would put to you, Mr. Malone, or indeed to Mr. Keate who is with you is: to what extent do national advertisers use the *Sun* and not the *Province*?

Mr. Malone: I guess it is not too often. There is a pretty substantial discount.

The Chairman: Does it ever happen?

Mr. Malone: I would not say it never happens. I could not give you a one hundred per cent answer on that, but it would be very seldom it happens.

I am surprised they have not got the rates. We have advertisers all through Toronto, Montreal, New York, wherever they want, and the rate is available.

Senator Prowse: They are obviously not trying to sell it.

The Chairman: I think Senator Prowse makes the point. Would it be fair to conclude—and I am not trying to embarrass you or put words into your mouth—but would it be fair to conclude that the representatives of P.P. really do not try very hard to sell the *Sun* alone and conversely the reps from Sutherland?

Mr. Malone: We try to sell them in both. We want them to go in both, but the rates are available. There is no restriction on the rates, but it is much more attractive to go in both and we try to sell them both and as was remarked in there, the advertising office of the *Sun* does not operate under F.P. We operate a joint office in Toronto selling both papers. We deliberately go out...

The Chairman: That is R. C. Voigt?

Mr. Malone: We try to sell both papers but you can get an ad in either paper without any difficulty at all.

The Chairman: So then this Mr. R. C. Voigt, who is the manager representing Pacific Press in Toronto?

Mr. Malone: Yes, he was selling in both papers or individual papers.

The Chairman: Does he sell any other papers besides?

Mr. Malone:...

The Chairman: He sells only for Pacific Press in Toronto?

Mr. Malone: I will see that the rates are sent.

The Chairman: I would still be most interested in receiving those rates.

Senator Prowse: May I ask a question?

The Chairman: Yes.

Senator Prowse: This question may look like it is being kind to somebody. I am wondering if the reason for that would be as far as national advertisers are concerned they are obviously looking for as big an area as they can get and normally they want mass coverage and what I would be interested in is: when you get to the local advertiser, I can see a local advertiser deciding what paper would fit his purposes, but I am not sure I can see it for a national advertiser.

The Chairman: I think the real question, Mr. Malone, is whether or not there is a real competition for advertising dollars in the newspaper business in Vancouver at the national level.

Mr. Malone: It is much more competitive on the local level. At the national level, the paper serves different areas to some degree. For example, there is better service up in this part of the province with the morning paper and better for the national advertiser in that field. We try to sell both papers and make it as attractive as we can to get both papers.

The Chairman: I do not want to labour the point and we look forward to hearing from you.

Now, Senators, turning to the *Globe and Mail*.

I would say to Mr. Cooper, in compliance with our written request we received the brief from the *Globe and Mail* three weeks in advance and in fact I think more than three weeks in advance. It has been circulated and studied by the members of the Committee and I think for purposes of our discussion today, we can take the brief as read.

I will now offer you some time, ten or fifteen minutes, to expand upon or explain your brief, to amplify it and to talk about anything else that may be on your mind, sir.

Following that the Senators would like to question you on the contents of your brief and on the other things you might say today and perhaps the other things which may be interesting them.

Mr. James L. Cooper, President and Publisher, The Toronto Globe and Mail: Thank you. Well, Mr. Chairman and Honourable Senators, I wonder if I might first of all complete the introduction made by Senator Davey and that is that the last name was George Bain whom he described as our Ottawa correspondent.

It possibly is not very well known here but George is much more than that. He is associate editor of the paper and we take that title very seriously. He is in touch with us very, very frequently indeed and I thought it only courtesy now we are trespassing on his home-ground that he should sit up here because of the high office he does hold.

On my extreme right we have Mr. Bob Campbell who is our director of sales and promotion and he is also a hell of a good magic lantern operator; the point being that after our session is finished here, your very able Miss Barrie has most efficiently arranged that in the room immediately beneath us we can go to view a film. I think it's about a sixteen minute presentation, which would be far better than anything I could say because it tells the short story of the only extra edition that we have published in our career.

That happens to be on the death of Senator Robert Kennedy or rather the shooting of Senator Kennedy. It was an American story. That was not the point. It was a story that occurred at the time and for the first time we could bring everybody back and start all over again and produce an extra edition.

It tells that shortly and then goes into describe how something like a total of fifty thousand people contribute to the *Globe and Mail* each day with a daily total of something like a million words and far better than anything I can say, shows just what goes into a newspaper.

It is not a hard-sell commercial, but you will find it very entertaining. And I promise if anybody doesn't like it, they can come to me and I will give them their money back.

Senator Prowse: It would be worth more than we pay for it though.

Mr. Cooper: Yes. You can see by my white hair I am an old man and have been forty-seven years in the profession of newspapers.

I have been preaching the virtue of brevity and at this advanced age and at this late stage of the afternoon, I am not going to change that at all. I think you will rejoice to know that I do not propose to amplify my brief at all. There are a lot of subjects you would be delighted to talk about with you and if you omit one or two of the good ones maybe I might chip in right on my own; but I still think that it's far more important than you, as Senators, should question us about what you want to know, not just what we would like you to know. I may say with great respect to all the presentations that have been made here, I have found these questions much more interesting than the briefs.

I have led with my chin in saying that but there it is; but in the great new newspaper participatory journalism, let us get together. All I can say gentlemen is, "Shoot".

The Chairman: Senators, I am going to avail myself of the opportunity of speaking first and I only have three questions relating to this morning's presentation of Mr. Malone.

Perhaps I can introduce one of them apologizing to George Bain for not more appropriately indicating his title of which, of course, I was aware. I do apologize.

Mr. Bain: I owe you many apologies.

The Chairman: As to the questions: this morning, in your absence, Mr. Bain, I was asking Mr. Malone about the attitude of *F. P. Publications* to an Ottawa columnist who appeared in all of their publications and because of my familiarity with your column and its general excellence, I used you as an example. I said, "Why not reproduce George Bain's column in all of the *F. P. papers*?"

Mr. Malone's answer—and I hope he will interrupt me if I do not in fairness give a gist of his comment, was that he thinks it is important that each one of the *F. P. Publications* has a personality of its own so that the *Globe and Mail* in Toronto, for example, could not easily be mistaken for the *Sun* in Vancouver or for the *Free Press* in Winnipeg.

He also said secondly that the *Globe and Mail* is very jealous of George Bain and would not like to see him appearing regularly.

on a daily basis in all of the other F. P. publications.

I think I have quoted him correctly. I think you were here. Would you comment on this? Did Mr. Malone directly assert that you would be jealous of George Bain's column appearing in other F. P. publications?

Mr. Cooper: I think that by and large that would be true. The *Globe and Mail* for a long time has had the tradition of trying to be a little different and a little more independent newspaper and the point really is that this dates from the days when we were not associated with any newspaper at all and we always refused steadfastly to syndicate our material. The point being we did try to be a national newspaper and we did try to sell in every major city in the country and it would be a little stupid to give away some of our prize stories to the opposition, so that has built up this tradition.

Now that we are happily married, we are not quite as tough as that and I know Norman Smith. He is such a charmer, as you know. He spoke so eloquently about the *Globe and Mail* today and he came to see me and I weakened and said, "Yes, he could use George Bain about once a week or so but no more because we did not want Norman to lose it."

I think this is trying to keep the character of the *Globe and Mail* and trying to have it a little different from other papers across the country. We do not readily give it away.

The Chairman: You would agree Mr. Keate is an equally charming fellow. Suppose he came to you and said, "We would like to use George Bain once a week in Vancouver."

Mr. Cooper: I am not sure—no. Well, each man to his own taste. One man's meat is another man's poison.

I will remember that Mr. Keate was interested for a long time in Dennis Braithwaite. We had the same arrangement there. He did not abuse it or overdo it and we were glad to have him use Dennis Braithwaite.

Now, Arthur Irwin of the Victoria paper is involved with Richard J. Needham. He is most keen on using Needham and I am happy that the men can be dispersed in rationed doses across the country to give people the appetite to buy the *Globe and Mail* across Canada.

The Chairman: Do you think that rationed doses of Richard J. Needham is all they can stand in Victoria?

Mr. Cooper: I do not know. I think he seems to be appreciated more in Victoria than in some parts of Ontario.

The Chairman: The second question I would like to ask which relates out of this morning was the comment—again I hope I am not misquoting Mr. Malone—that the *Globe and Mail* takes a stronger editorial position than either the *Star* or *Telegram*. Would you agree with him?

Mr. Cooper: Stronger in what way? I do not quite follow where the strength lies; in the strength of our opinion or in the affect of that opinion?

The Chairman: Well, Mr. Malone made the comment. Perhaps I can put it to Mr. Doyle.

Mr. Cooper: No. I should be very annoyed with Mr. Doyle if I did not think we were stronger. I am not sure that I am the man to say that.

The Chairman: Well, Mr. Doyle, can you give me an example of the editorial position of the *Globe and Mail* being stronger than the *Star* and *Telegram*?

Mr. Doyle: I do not think I would like to. I think that the *Globe's* editorial position is usually very firm or responds very quickly to given situations and has a consistency which may give it an extra measure of firmness.

The Chairman: I am not quarreling with you, but would you not think it is equally true of the *Toronto Star* and the *Toronto Telegram*?

Mr. Doyle: I think they both have strong editorial positions.

The Chairman: I am not trying to embarrass you. I said this morning I thought it was a very strange comment and that is why I am pursuing it.

The third and last thing which I would like to pursue from this morning was the comments of Mr. Malone. You will recall, I am sure, my asking him about the *Globe and Mail* mast-head. I would like to put that same question to you.

I will not read the mast-head now, but this morning's mast-head in the *Globe and Mail* and indeed the mast-head every day, I see absolutely no reference of any kind to your association with F. P. Publications. It is apparent from your brief that you are not embarrassed by the association. I think you

are proud of it. It is equally apparent that F. P. Publications are proud of the *Globe and Mail*

Would it not be in the public interest to indicate in your mast-head that this paper is a member of F. P. Publications?

Mr. Cooper: That reminds me of the story of the man who was going to work on Monday morning, if I may say, with respect for the presence of one or two ladies, and he thought that he had lost his manhood because he had never even thought of it. And frankly that is the answer. I had not even thought of it.

The Chairman: Had you thought of it, Mr. Doyle?

Mr. Doyle: I hadn't either.

Senator Prowse: Think about it.

Mr. Cooper: If I am not too old now, Mr. Chairman, I will think about it.

The Chairman: Well, I am sure there are some things you are not too old to think about. And this question of the F.P. Publications in the masthead is certainly one of them. For someone who has subscribed to the *Globe and Mail* for as long as I can remember, I was under the impression and I think the citizens of Toronto—if I may quote a phrase used last evening here by Mr. Heine, the editor of the *London Free Press*—he referred repeatedly to the politically sophisticated electorate in the London area. I think those in Toronto are at least as sophisticated. I do not think the citizens of Toronto know that the *Globe and Mail* is a F.P. paper. I think they would be interested. I think you should consider it.

Mr. Cooper: On our front page we have never hidden it. We put an announcement on the front page. As I say I have not thought of it. I am not quite sure of the virtue but as I say, to hell with virtue, we will think of the act.

The Chairman: I am not at all suggesting that you are trying to hide it.

I have some other questions but I think perhaps I should now turn to the Senators.

I think Senator Prowse is first.

Senator Prowse: When did you become part of the F.P. family?

Mr. Cooper: In late 1965.

Senator Prowse: From your point of view have you noticed any benefits from belonging to the family?

Mr. Cooper: Well, as I said in my brief, it is rather an intangible benefit but the greatest benefit has been, as Mr. Smith put it far more eloquently than I can, there has disappeared that fear of what is going to happen in the event of a forced sale and in the event of death because we did have quite a time in 1952 when George McCullough died.

Senator Prowse: With Mr. Webster as your owner, surely you would not have that problem?

Mr. Cooper: The problem about...

Senator Prowse: Worrying about financial insecurity, the type of thing Mr. Smith was talking about.

Mr. Cooper: No, but if Mr. Webster died that was the problem.

Senator Prowse: Well, who is in there? Not Mr. Webster still there?

Mr. Cooper: He is in F.P., yes.

Senator Prowse: Your problem is if he died you would have to worry about whether his heirs would decide to carry on?

Mr. Cooper: Yes, what would happen to the *Globe and Mail* in the event of Mr. Webster's death? This was at the time before merger.

Senator Prowse: So that as it is now you have the continuity of a corporation instead of the philanthropy of an individual owner.

Mr. Cooper: Yes.

Senator Prowse: Has it enabled you to give any service to your readers that you were unable to give before?

Mr. Cooper: I do not know quite how to phrase that. We have gone ahead as if we were still completely independent and not a group at all so I have done things and to the extent that I have not been stopped to the extent that we have continued a form of progression, on which I was most keen, certainly have benefited, but this is a negative form of benefit, if you follow me.

There has been no harassment. There has been no pulling in. There has been no running up for all the ambitions that we had and can get very glorious and describe some

ness to you, but there has been no interruption.

Senator Prowse: In other words, you are enjoying the kind of paper you took pleasure in and pride in, am I correct?

Mr. Cooper: Yes. We are proud but never satisfied.

Senator Prowse: Has there been any change that you have been able to be more satisfied since?

Mr. Cooper: I think so, yes.

Senator Prowse: Can you describe the areas in which there was an increase of satisfaction?

Mr. Cooper: Yes. On account of the corporate side of the business, I was very proud indeed of having launched Canada's first daily business newspaper.

If you recall, when I took over we published a report on business purely as a section in the paper and the great cross I have to bear in life now is I could never get anyone in Canada to call it, "Report on Business". They always say that business thing or the business section.

One of the first things I did was to increase publication to three times a week and then I got cold feet and we took a survey and the survey people, the research people, came back and said most emphatically that we could not pass as a daily newspaper, that the businessmen had too much to read and he did not want anything more over his desk so I held back for some time.

Later on we took the chance and we went to five days a week and it has been the most successful thing we have done in recent years.

Senator Prowse: You call yourself a national newspaper. How much of your circulation on a daily basis is outside of Metropolitan Toronto?

Mr. Cooper: Oh, outside Metropolitan Toronto, about half of it.

Senator Prowse: Pardon?

Mr. Cooper: About half of it.

Senator Prowse: Well, how much of it is, for example, west of Sault Ste. Marie or east of Montreal or east of Cornwall, let me put it that way.

Mr. Cooper: This is the daily paper?

Senator Prowse: Yes.

Mr. Cooper: Not the *Report on Business*. The *Report on Business* is all sold separately and we have twenty thousand.

I will run them down very quickly, if I may. Newfoundland, 136; Nova Scotia, 791; Prince Edward Island, 86; Senator McElman will be glad to note in New Brunswick we have 640; in Manitoba, 2112; Saskatchewan, 548; Alberta, 950; and British Columbia, 842; and the total—this is outside Ontario—is seven thousand, something.

On top of that—this is seven thousand during the week, it would be about nine thousand or ten thousand on Saturdays and then there is another twenty thousand on the "Report on Business".

The Chairman: I think you did not give us the Quebec figure.

Mr. Cooper: 2,060.

Senator Prowse: On the 15th of December the T. Eaton Company in your city of Toronto decided to dispense with the services of, I think it was, 196 or about 200 of their maintenance employees and they were going to replace them with a contract with another company which actually paid wages scales considerably less.

Have you carried any story on this at all?

Mr. Cooper: If I may, sir, with great respect, I do not think the answer to that is just a simple, "Yes", or "No".

Let me just give you a very slight indication of the background. There is a story that is carried in the *New Lead* which is a Guild publication.

I did not hear of it until two days ago just as I was on my way over here. Mr. Doyle has gone into the subject and I would be glad to have him talk to you.

There is one point I would like to make about it and that is this. Let me say first of all, it is refreshing to find that the *New Lead* people are taking an interest in the quality of the paper rather than just in salaries and hours. I think that is very pleasing to see. I am not at all impressed by their product. I think they should have produced something better which would reflect on their editorial skills. The point is what is in it is what matters and that is the question of news judgment. How good was that story?

I am not imputing any motive at all with the Guild, none at all, but I would point out

two things. This concerns maintenance workers. Some time ago the *Toronto Telegram* replaced its maintenance workers, who were members of the Guild, by contracting out in a similar instance.

Right now at the moment the *Toronto Star* is in the process of moving to a new building and it is talking to the Guild about what happens to the maintenance workers, so you can see a Guild member, writing about this, as we all are influenced in our news values in what we are interested in, may not be completely objective in this story and there are other facets to it.

As to the merits of the story as such, I would like Mr. Doyle to explain them to you.

Mr. Doyle: First of all, if I may and if Mr. Cooper will forgive me, I would like to amplify one of the last sentences in which you talked about the objectivity of the Guild member.

I think perhaps you meant to say perhaps the objectivity of the Guild member writing in the Guild publication.

I do not think there is any question of the objectivity of Guild reporters when he is working on his own job.

Mr. Cooper: No.

Mr. Doyle: This is, as Mr. Cooper indicated, a continuing story. What is happening to not just the maintenance workers but to other groups of employees in the farming out process. It is a story we have carried on a number of occasions and I think most recently in this particular area in having to do with the Toronto-Dominion Centre and the large maintenance employee system that was set up to serve that particular complex.

The man in our organization who is an authority on this is our chief labour reporter, Wilfred List. Wilfred heard about this particular situation at Eaton's, the one of which you speak, roughly, I would say, about ten days ago, or he heard the rumbling about it. It had been going on for some time. It was not that big an operation. It was not shooting off any fireworks early in December. It wasn't shooting off many fireworks at that particular time but there was something there.

He did in fact look into it. And he came back and talked about it to the appropriate people at our place and he outlined the facts as he saw them which were not entirely as they had been reported in the *New Lead*, but indicates there is something there for our interest.

He said, however, the real story had to be told in the context of what is happening in several other firms. He listed a number of firms. He said he wanted to have a good look at the *Globe and Mail* among other papers. He mentioned the other two papers as well. He said he particularly wanted to look at the federal government because the federal government has been involved in this.

He wanted to do these several things but at the particular time he was coming down with the flu. That is neither here nor there—there are other people who can do the assignments.

The point is: the story is being worked on whatever he finds.

I cannot attempt to give you what his analysis of the situation will be, but it was in the works before the *New Lead* story appeared and it is still in the works.

I would like to add a kind of footnote, if I may. I have heard in the brief submitted to the Newspaper Guild, it was stated the members were pleased they would be getting away from—I think they called it—shotgun journalism where every city editor wanted the story yesterday. They hailed this as a progressive move in a newspaper and thought we should take it a lot further, and I agree with them.

We should do far more research. We should do far more planning. We should put far less emphasis on whether we are first, and more on whether we are right and whether we are thorough, whether we should cover this particular story.

Senator Prowse: In other words this is going to be more than a story of two hundred people who have been let go by one firm?

Mr. Doyle: Precisely. I do not think there are two hundred people. There are some there who are being transferred to the other companies. There are some that are choosing to go into retirement because retirement is their advantage. If they take retirement, they get severance benefits so if you do not have too long to go on your contract, it balances the thing.

He is looking into that situation and he is looking into a number of other companies as I say a number of other institutions including the government to see what the situation will be.

Senator Prowse: In other words, this story has not just been neglected or forgotten?

Mr. Doyle: No, it has not, sir.

Senator Prowse: Thank you for your information.

Now, what are you able to give to the chain, and the other people and the other newspapers in your chain or your group? I am primarily interested in the editorial aspect. The business end—perhaps somebody else could deal with that. I am interested in the role and providing people with the widest possible dissemination of news.

Mr. Cooper: Well, senator, we, as you now, don't just throw the *Globe and Mail* in the field or all over the place, but we have left it more or less to the individual publishers to ask us for what they would like.

Senator Prowse: Well, what do you get; do you get any benefit from the chain or group ownership?

Mr. Cooper: On editorial matters?

Senator Prowse: Yes. In the way of news services or facilities that would enable you to turn out or provide your readers with more information than you were able to do before you belonged to a group.

Mr. Cooper: Well, we wouldn't use a great deal of their material, as I said in my brief. We would now and again use Mr. Bruce Hutchison, and on other occasions—I well recall on the anniversary of D-Day we were sick for someone to write about the anniversary, and that was the occasion that we used Mr. Malone's article and then we took it to the editorial page; that is quite a different matter.

The greatest thing I think has been the progress quite properly in the Ottawa Bureau where we now have at the moment men who are doing such a good job here and we combine facilities because it so happens the transfer of the Norlite Building into a press building was just about that time. They were going their separate way and we were going our separate way, and this seemed to be a good occasion to join forces, and as a result of joining those forces we have a librarian, and we do have the girl answering the telephone as who takes the messages which I am afraid are often from irate subscribers who can't get the circulation office for the non-delivery of their paper.

This combination, the setting up of a library, this kind of mutual breaking-off and rubbing-off together is one of the virtues.

Senator Prowse: Then you wouldn't be able to do that unless you belonged to a group?

Mr. Cooper: Well, we wouldn't have had such great benefit, and although I was very keen I think I might still have gone with the expense of a librarian because I think that is an important part of our service.

Senator Prowse: Now, with the matter of recruitment of staff, what policy do you follow there? Where do you recruit your staff?

Mr. Cooper: Well, it is a complete cross-section. Being a Toronto newspaper we can attract people from other newspapers, people who want to come into a bigger city. We do have some from the schools of journalism and we do get quite a number from the universities directed to us. One of the good things is people with sociological degrees coming into the profession now and we like to give them on-the-job training in the office, and every summer we have about twelve of them come in. Out of that twelve I think this year we have about six coming back from that number.

Senator Prowse: What training do you give them? What provisions do you have for training them?

Mr. Cooper: You mean the students in the summer?

Senator Prowse: Yes.

Mr. Cooper: They are given courses involving libel and what-have-you by one of our senior editors and they have a weekly session with the managing editor, and Mr. Doyle has them—this may interest you in view of your previous question, but he has them into the editorial board only one at a time. We do that generally.

As for the regular staff, we have an office rule that goes for all departments, and we pay half the fees for anyone who wants to improve himself by taking courses. That is largely a great benefit to people who come to us from other countries who may have language difficulties or communication difficulties.

We have sent... I remember Joan Hollobon, to Columbia in New York, to study medical reporting and David Spurgeon was there before. David Spurgeon definitely was doing the medical beat; spent three months in the hospital without doing anything.

There are many other seminars that we send to. We send someone to Western almost every year to the business school and we

encourage this generally, but by and large we have found that if a man is good and the best form of training he can get is that we give him the time and the opportunity to deal in depth with the stories that we try to report in the *Globe and Mail*.

Now, with all due respect to the previous publisher here, I think the days of the highly individualized personal publisher newspaper went out with William Randolph Hearst and Lord Beaverbrook, perhaps.

Sex and crime, food and fashion, all the old sounding boards are not good enough any more. People want the sociological studies, they want reporting in depth on education, on culture, politics, and no matter how many number of things.

Our readers, at least we hope, are scattered over a larger area and are a little more sophisticated and educated to this kind of access on high attitudes. That isn't enough because they want a reasoned type of editorial. They want the background in depth in order to make up their opinions, and they want most of all—I am not joking about this part—participation. It is quite an elite who want to join us in discussing things, either letters to the editor or a newspaper article.

Newspapers have a new dimension now. They used to be opinions on the news but now we have interpretation of the news which is a very useful service because your writing can be a little more illuminating, a little more contentious, which we would like it to be in the newspaper columns.

Senator Prowse: Well, how do you deal with the situation, clearly defining for the public—supposing I pick up a newspaper and I read it, and so I know whether I am reading fact or whether I am reading an opinion, or a mixture?

Mr. Cooper: Well, we have page 6 which is opinion—which is editorial opinion. Page 7, which is interpretation. The rest of the news we try to keep as fair as we can. I was going to say objective, but I should never use that word.

And on Saturday we have separate pages to cover the provinces and other things, and obviously news comments from these different areas.

The Chairman: May I ask a question on this point?

Mr. Cooper: Yes.

The Chairman: You say in your brief that

the *Globe and Mail* is independent politically then you go on to say by no means neutral. That phrase "by no means neutral" struck me as being rather familiar, and sure enough there it was in Professor Merrill's book "The Elite Press" which spoke so favourably of the *Winnipeg Free Press* and of the *Globe and Mail*.

It says that you are independent politically. You chose those very words "by no means neutral." It goes on to say in the very next sentence: "Ideologically the paper is to the right but certainly to the thoughtful and calm right."

Would you, Mr. Cooper, describe the *Globe and Mail* as being ideologically to the right?

Mr. Cooper: No, because the longer I live the more I can never find where the centre is.

The Chairman: So you disagree with Professor Merrill?

Mr. Cooper: I don't necessarily disagree with him. I just don't know just where the right and where the centre are. I don't know whether we are right, centre, or extreme left and there is one thing I love, and that is to get a letter saying "Krushchev Cooper, you communist," on the same day that I get a letter which says "All you publishers are Ba Street bastions."

The Chairman: So you don't agree that the paper is to the right?

Mr. Cooper: Well, I think wherever the centre is there you find the *Globe and Mail*.

The Chairman: You think to the centre, therefore Professor Merrill is wrong?

Mr. Cooper: Well, I don't know.

Senator Prowse: Well, you take sides depending on how you like them at the time.

Mr. Cooper: Personal things never enter into it.

Senator Prowse: I mean, rather than direct yourself to editorialize you judge the various things that come up then take your stand on the basis of what you think are the merits of the piece without worrying about whether you are to the right or the left of the centre?

Mr. Cooper: Yes, except it is an old thing—there was a long seminar last year which was promoted by the London School of Economics on how editorial policy is reached.

We were very flattered that we were asked to take part in it.

The *Globe and Mail* has a kind of formalism, a formal character and tradition, and hardly ever have to discuss a fixed idea, that we will do about it, because we know before we talk about it. We more or less have an attitude on things which means—we have to keep up with the traditions of the *Globe and Mail*.

We have the liberty of the subject and things like that.

Senator Prowse: Well, that leads me to the suggestion, when people say, and we have told people here that tell me that they don't have any trouble talking to editors because they think the same way you do; I mean the *Globe and Mail*.

Mr. Cooper: Well, I can tell you that we agree.

Senator Prowse: Do you have editorial differences?

Mr. Cooper: Yes. I think I will pass that on to Mr. Doyle.

Mr. Doyle: We work with an editorial board of five or six people, depending on the particular news at the particular time. The members of the board spend roughly two hours prior to our daily editorial conference looking over their own newspaper and other newspapers coming into the office, including over periodicals, standard radio broadcasting, particularly their own particular specialties. During that same period of time I am usually preparing a list of things that have attracted my attention either the night before or on my way to work or whatever it may be. Also during that same period I have a brief conference with the publisher on matters relating to editorial policy, matters relating to every facet of the operation of the paper.

By the time I come to the conference I have a list of subjects, and I will introduce the subject and usually throw it in the direction of a particular individual because most of your subjects are divided up according to the area of specialty of the writer.

We will discuss the thing and we will discuss what the particular ramifications of the various events as far as our standard policy is concerned—the policy that we followed in the past in that particular situation, how did it change, if it did change, and is there any particular reason why we should write again

on the subject. In that rare situation where you can say "I can't find a parallel for this—this is something that we haven't touched before in any way, shape or form", we usually get into a discussion of whether we know enough to write about it. If we don't, we perhaps detail a man from the board to take some time and find out himself or maybe we know of course that we can trust our own institution or a writer from outside our own institution to get us an answer.

If that is the case we go ahead with it, or with the subject. We may have arguments; we may have very vigorous arguments amongst our own company, and there may be some shouting, but I think it is safe to say here, and repeat it, that no individual is compelled if he believes very differently. Most editorial writers I have worked with—and I only know the *Globe and Mail* because I have not worked for any other newspaper—most of the people are quite professional, and if your subject that particular day doesn't necessarily quite agree with the line they usually take, I will allow their point. I will argue mine and tell you what I think, but I also say that I will allow your point and I agree that you should write that way, but they much prefer to write it themselves.

In that respect, I feel we have control. And if there is going to be a degree of differences with our own opinions, we will generally agree.

As I said, on most subjects we can come to a general agreement, but we only have one rule: we say that if we change in any marked degree we must acknowledge in the editorial itself this difference in the position we have taken before, and we must give our reasons for changing. This can become a pretty laborious exercise sometimes, particularly if you are changing who you are going to support in a national election, and perhaps the editorial can become a bit tedious.

It is necessary for us as well as for our readers, I think, to say things this way.

Senator Prowse: In other words, you get out of your pattern and explain why?

Mr. Doyle: Yes.

The Chairman: Mr. Doyle, the *Globe and Mail* did switch its national selection in the federal election in 1963. When Mr. Bassett was here before Christmas he was telling us that the *Telegram* also switched parties and made the same switch you did in an election.

He told us that it cost the *Telegram* 10,000 readers. What was your experience at the *Globe and Mail*?

Mr. Doyle: I know it cost us one member of the Senate but he did come back. I don't think it had a very perceptible change in circulation, but perhaps we had a few irate readers leave us and a few others join us.

The Chairman: It is not intended as a facetious question, but why would the *Telegram* lose 10,000 readers and you lose only a few?

Mr. Doyle: Well, I think there is a good answer for that. I don't think we are identified in our readers' eyes any more as a party newspaper. We support parties in elections and as we said in an editorial footnote not long ago that as far as national elections are concerned we are back trying to sharpen our knives to get after those who were elected.

We have a position of being almost constantly in opposition so people don't buy us. They think we are biased, or because they are Tory members or Liberal members, or members of the NDP.

Senator Prowse: Do you follow a policy which has been attributed to the *London Times* but because I am not a regular reader of that I wouldn't know, and that is that there seems to be an attitude that a powerful newspaper has a responsibility to be a little critical of government at all times regardless of what system it might be.

Is this a problem of policy or not?

Mr. Doyle: I think you do have a responsibility, to a certain extent, to be in opposition on your editorial page. I think you have a responsibility to say so when you think something is correct, but I don't think you can ever say "I don't know."

Maybe some do now, even those with general party support, to encourage that responsibility by pointing out what in their judgment is in error, or what in their judgment is wrongdoing.

Mr. Cooper: Just as a matter of policy with the *Globe and Mail*, if we make a mistake we will admit it, if it is our mistake; and to this extent I was over-simplifying when I said the *Telegram* had had people on maintenance who were in the Guild and I would correct it by saying that the *Telegram* after consultation with the Guild reversed their decision.

But my point is still good; that there is interest in the Guild in maintenance work

which indeed might colour their sense news.

Senator Prowse: Well, I think this is the thing that I was getting at. With that, I have had people who have said that it was the policy on their paper in editorials that they would never require an editorial writer to write on a subject where he was expressing an opinion to which he was opposed, gather from what you said your men took a professional attitude, and that is that what had to be written, unless it was a matter of great interest with them, they then would write a professional article explaining what was the consensus of your group opinion. Is that correct?

Mr. Doyle: Yes, that is correct.

Senator Prowse: In other words, you do expect people to become prima donnas or take the attitude...

Mr. Doyle: I don't regard them as prima donnas, but if they say they would rather write I think then that is a matter of their conscience, and I respect that.

Senator Prowse: You say you would accept that?

Mr. Doyle: Yes. And as I said, on occasions they do. One occasion that I recall that differed with Mr. Cooper was the question whether we should destroy the housing Toronto Island one year or the next. Mr. Cooper was very strongly opposed on that subject, and we took very strongly opposed positions; Mr. Cooper's based on costs and lack of housing in his particular case, very good causes, and I said, "Well, fine, I'm going to back out." And I did. Then the editorial writer put in a couple of words that made it look a little better and put it in the paper. It was the policy of the paper that people often say, "Why don't you have byline editorials as they do in newspapers in Quebec?" We do have byline newspapers—byline in there at the top of the masthead and it is the byline of the publisher of the paper. So that what appears above the following is the consensus of the viewpoint of the paper so I don't think a person who says, "Well, right, I don't think I agree with that," particularly; I would rather write it myself in any way demeaning himself in doing that.

Senator Prowse: In other words, you regard him as a writer and not because he is expressing his particular opinion and that

mains anonymous to the public anyway; is it correct?

Mr. Doyle: Well, he remains anonymous to the public. He is hired as a writer but I do place very high stock on the opinion of the members who are on the board which is why these "High Noons" don't come up too often.

You have people whose intelligence you respect. You can walk in being fairly convinced of the editorial line that we are going to take, and eventually turn on my head by someone else producing facts that will knock me down, and I might also add that it is an infrequent thing with our editorial board to get out away from your typewriter to write an editorial and watch an editorial writer go down to the floor to check a few facts with the reporter who covered the story last night which leads to the editorial today, who in possibly fifteen or twenty minutes would come back and say, "I have a new subject."

This is just not the case, and we allow for things we don't know yet, haven't been written yet, and those are things which we accept.

Senator Prowse: Do you ever use a signed editorial in the editorial pages themselves?

Mr. Doyle: No. I say they are signed by the proprietors of the paper, but in addition to that we do have...

Senator Prowse: In other words, it is always the expression of the paper on the editorial page or in that section reserved for the type of thing?

Mr. Doyle: Yes.

Senator Prowse: Why wouldn't you have or use the device which I think *Le Devoir* uses where they have signed editorials all the time?

Mr. Doyle: Well, I would be inclined if I wanted to go in that direction to hire a couple of her columnists because after all we say in that editorial is. It is a column telling you what that individual's opinion is. It doesn't even work completely for Mr. Ryan, as you know.

When someone says, "*The New York Times* say" and you quote something something for their editorial page, and then you turn around and say, "Scotty Reston said this morning," it means two entirely different things. I believe that applies to Canadian newspapers as well.

Senator Prowse: Well, then, you obviously

buy the situation that a newspaper in its own right expresses opinion and it doesn't just express the opinions of other people. This is what happens with your editorial pages which in effect are the *Globe and Mail's* opinion?

Mr. Doyle: Well, it is the collective opinion of a group of people at the *Globe and Mail*.

Senator Prowse: Maybe you can give us some guidance here. I know one of the problems that concerns us is the development of a very large number of one-newspaper towns. As an example we had one group here who said they felt that they would have to be careful not to get too involved in something because there was only one paper and that perhaps it would be an abuse of their position to take too strong a position.

Would you comment on that?

Mr. Doyle: I think probably one-newspaper towns tend to go in that direction, and I think it's unfortunate. I think perhaps just speaking for myself—and Mr. Cooper may want to give us his judgment on this—I think perhaps in those one-newspaper towns it would be better to take your strong-ranging points or opinions and put them on the editorial page to start the dialogue but make sure you have the space for the people who responded to it. But if you don't specify this you don't have the argument and I don't think the editorials make the great pronouncements because I believe this argument has gone by the board long ago. It is just meant for daily dialogue.

Senator Prowse: In other words, instead of trying to be completely objective, maybe you would be better to admit in there that there is no such thing as being objective?

Mr. Cooper: I hope you will forgive me for repeating it, but it is one of my favourite expressions, that there is no such thing as an objective newspaper. The point I am trying to make is, supposing there was an absolute. Supposing there could possibly be an objective newspaper; where in the whole of Canada would you find one single objective reader? The reader himself will freak out. How many times do we receive letters to the editors saying "How dare you say this." This happens over and over again. There is no objective reader and there is no objective paper.

All we are trying to be is fair, and we try to be argumentative, and admit when we are wrong, and that is the best we can do.

Senator Prowse: Would you say that perhaps, then, the greatest sin that could be committed would be for a person, in trying to be so fair, to do nothing, when a clear expression of opinion was called for?

Mr. Cooper: Yes, but we don't think just by producing a paper we can pre-digest his pabulum.

The Chairman: Mr. Cooper, I would like to ask you about your role in Canada's self-proclaimed national newspaper. The *Globe and Mail* is Canada's national newspaper according to your brief you say in two ways. One, you are distributed across the country on the day of publication, and the other is that you are designed to meet the needs of readers in all parts of the country.

I suppose you mean specific needs of the readers in all parts of the country as opposed to all of their needs?

Mr. Cooper: Oh, yes.

The Chairman: Well, my question is this. When Mr. Bassett was here he told us that the *Telegram* was the most quoted newspaper in Canada. Isn't it strange that the *Telegram* should be more quoted than the *Globe and Mail* if you are Canada's national newspaper?

Mr. Cooper: It would indeed be strange.

The Chairman: You don't agree with that?

Mr. Cooper: Well, I just say it is strange. I don't know.

The Chairman: In your opinion.

Mr. Cooper: I don't know.

The Chairman: Are you a hockey fan, Mr. Cooper?

Mr. Cooper: Not particularly.

The Chairman: Are you, Mr. Doyle?

Mr. Doyle: Not particularly.

The Chairman: May I ask you a question about hockey? I think the hockey published in the *Globe and Mail* is pretty good. I have been in Ottawa all week and I still don't know who won the game last night in Pittsburgh, between Oakland and Pittsburgh. I think it is important to note that it was in Pittsburgh and not on the west coast. I would be interested to find out.

Mr. Cooper: Oakland, 3; Pittsburgh, 3.

The Chairman: Well, I would suggest you that copy of the *Globe and Mail* was purchased somewhere in the middle of the morning because at the Chateau Laurier where I stay, when I buy the *Globe and Mail* to have with my breakfast at eight o'clock, eight-thirty, those hockey scores are not. Even if the Leafs had played in Toronto last night, at eight o'clock the next morning in the nation's capital, Canada's national newspaper doesn't give you the score of Canada's national game played in the city in which Canada's national newspaper is printed.

This used to grieve me greatly when I lived in Ottawa, when my home was in Ottawa. That the copy of the *Globe and Mail* that I received at our home was, I believe, a copy something like the copy which is on sale in Toronto about 3½ hours from now. This is not a facetious question, but why don't you arrange that to have your final edition sold in the national capital? Surely the national capital deserves the final edition of a national newspaper.

Mr. Cooper: It is strange and quite a coincidence that I find at the very top of what I have been reading from, it is headed "Ottawa Circulation." When I took over in 1963 I sold 4,200 copies of the paper in Ottawa. I thought that was ridiculous for a national newspaper to sell so few in the nation's capital, so like all new brooms I was pretty ambitious, which was Cooper's folly.

They used to get in those days the 9 o'clock edition and I said that wasn't good enough. Senator Davey wants to know who was between Oakland and Pittsburgh. And I said we have to get delivery of the midnight edition.

Well, we tried, and I am sorry; it didn't work out. Late editions, truck troubles, many complaints. We had two circulation executives here; have nervous breakdowns. We just couldn't make it; the distance was too great to get that copy here, because, Senator, you don't realize, to have the paper on your breakfast table I have to have it in Ottawa at four o'clock in the morning, and even by increasing the trucks from three to fourteen I still couldn't get it out to the bus and get it to be delivered in time.

The Chairman: Well, what about by train or by air?

Mr. Cooper: Well, we tried. The other thing is that there is no airline service, so what we do every day—and this is the copy that I

have brought here—is we air express copies of our paper and it should arrive here between eleven and eleven-thirty in the morning.

The Chairman: Well, the Committee meets at ten o'clock.

Mr. Cooper: Well, I am sorry. I can't play games with the time.

The Chairman: Well, I made one suggestion about the masthead and now I will make a second. You should re-examine the original rust you had when you arrived as a new release, because...

Mr. Cooper: What; and have another circulation man in the loony bin! Let me explain. There is another thing you must understand, senator. The extra copies that we do air express here we do as a service. Each copy costs me 22 cents to send and it is on sale at the Chateau Laurier for 15 cents, because I can't obviously go to the grill there and charge 5 cents for the bulk delivery and more for the highly expensive one in the afternoon. So, please, senator, don't get too many people wanting the final edition at 15 cents because I will have to put the price up.

Mr. Fortier: The *Montreal Gazette* will give you last night's hockey scores.

The Chairman: Well, I often buy the *Gazette*. How are these papers air-expressed, and at what time?

Mr. Cooper: Well, I don't know the actual details but it is the first available air express. There is a very early plane after midnight but it is no good to us because it doesn't carry newspapers.

The Chairman: Well, it doesn't carry passengers either because I have taken it.

Mr. Cooper: Well, let me finish this argument, senator, and say that in 1963 we sold 400 but now we sell 11,800 in Ottawa and the amazing thing that I have discovered is that they don't buy it for the hockey scores and the baseball scores. I find that people buy the *Globe and Mail* for the background, the features, and the other articles, and they prefer the *Globe and Mail* delivered fairly regularly against one that was so hit-and-miss and they never knew when they got it.

The Chairman: Well, I agree with your reply. I think it's good, even if from my point of view it is not a satisfactory reply, because

of course you look for more than hockey scores.

Senator McElman: Are you also not an avid football fan?

Mr. Cooper: The only thing I am not, is a baseball fan because it is the baseball scores that give away what time our paper goes to press.

The Chairman: I am interested in the policy which the *Globe and Mail* has which I think is unique—it may not be, but it certainly is unusual in that you do not honour press release deadlines. Would you comment on that, please, why that is a policy?

Mr. Cooper: Well, one of the reasons is that—I am not quite sure what your profession is, and I have to be rather careful, but let us say the *Globe and Mail* is not just for public relations people, whether they are described as communication consultants, or whatever.

We take the view that most of them are in business, it is their very business to manufacture and manipulate the news. Their idea is to get something into the paper which we otherwise wouldn't put in, and our policy is that we like to go out and dig our own news.

Now, as has been said earlier today, Canada is mainly an evening-newspaper country, so these smart public relations men got a grand idea. They would have these artificially-imposed release times and they would hand out their stuff the day before, two days before, for release at 2 p.m. on a certain day. That meant the evening papers could get them, study them, write them up, and put them in their main edition and get the first bite.

We were left, the good old *Globe and Mail*, the paper of record, would come trailing behind. So we said to heck with that. We would get the news and we would publish it when we get it.

The result is now that more often than not the releases are made during the day. The evening papers scramble and we manage to get them out and we have it in the paper. It is as simple as that. We don't like the news being managed; we don't like being told by consultants just when and how we are going to publish the news.

The Chairman: Well, for the record, and I think I must add for the record, that I have, never even in my more political days, put a press release of any kind at any time through

the *Globe and Mail*. I think your answer is an interesting one because while I am sure that much of the public relations material that you receive doesn't qualify as hard news, I am sure there are from time to time hard news releases, things which are legitimate news stories in which times are placed.

Do your honour those?

Mr. Cooper: Well, we honour things like the budget, we honour things like the Carter Commission Report and then we break our necks to get them in. We spend many, many thousands of dollars in Ottawa to get your—in reverse to your hockey scores . . . You take the Carter Commission Report, for instance. We sent not only reporters up but we had editors up, we had people punching the tapes so that the moment it was released we could take it from the Bell headquarters and put it on the data speedphone. From there it went into typesetting in our head office and inside of 40 minutes we had six pages on the Carter Commission report. That is very expensive, but we are prepared to do things like that because, after all, we are involved in timed releases.

Mr. Fortier: Mr. Chairman, I wonder if Mr. Cooper will tell us whether or not the *Globe and Mail* accepts stories from the Canadian Press on a hold-for-release basis.

Mr. Cooper: We do. I think there are certain things that we honour, but...

Mr. Doyle: We have no choice. It is the way the Canadian Press is set up and it is set up in such a way that you are fined if you violate one of their releases. One of the reasons why we would be very unhappy with a press council is because I think possibly, you would find the press council trying to do this type of manipulation to serve the best interests of most papers but not necessarily to get news to people.

Mr. Fortier: So you are obliged when dealing with Canadian Press hold-for-release stories to honour that request?

Mr. Doyle: Yes; with a Canadian Press story. If we had found a story of our own which we could establish we did on our own we would go ahead and release it. If it is Canadian Press' story it is a condition of our belonging to Canadian Press that we honour it.

Mr. Fortier: Mr. Cooper, both the *Toronto Star* and the *Toronto Telegram* have over the

years acquired some suburban weekly news papers because they see this as the area of future newspaper growth. Prior to joining the FP group why was the *Globe and Mail* not involved in buying similar type of interest?

Mr. Cooper: I guess it must be the public pride; I don't know. We like to think that our publication is a highly specialized one. We don't think it compatible with publishing smaller papers.

I am rather amused by some publisher who shout that they must be independent and must have one independent family newspaper and yet all of the time they are buying up a lot of the small papers around the periphery. They are not compatible.

It is like our being affiliated with CKEY. There was an incompatibility of temperament and we had to get divorced. It just doesn't work, I don't think.

Mr. Fortier: You feel that there was not—was out of character with the *Globe and Mail* for it to seek to expand into other newspapers?

Mr. Cooper: Well, we could as a corporate enterprise and maybe set up in another country and have somebody inexperienced in running a weekly newspaper, but I didn't want to have any part of that operation, and we just haven't considered this.

Mr. Fortier: What are your views, Mr. Cooper—I am sure the Committee would be very interested in hearing them—your view on multimedia ownership in Canada?

Mr. Cooper: Frankly, I don't like it.

Mr. Fortier: Why?

Mr. Cooper: Well, frankly, I am not keen on any community where there is an excess of opinion confined to one group in many media. I know for instance the radio stations always help us to keep us on our toes.

The Chairman: In what way; in terms of advertising?

Mr. Cooper: Well, they compete for advertising, and they compete for the spot news.

The Chairman: It is in the terms of news you are speaking of?

Mr. Cooper: Yes.

Mr. Fortier: If FP Publications had been actively engaged in the broadcasting field maybe this question should be directed to them.

Webster rather than to you—but can you tell us whether to your knowledge Mr. Webster would have accepted an offer to sell to FP?

Mr. Cooper: I wouldn't know. As I say in the brief he wanted some form of protection for our policy and FP has quite a good reputation for not interfering with individuals.

Senator McElman: Well, you have indicated already that you don't favour multimedia ownership. I think you also indicated you don't favour ownership of media by conglomerates. I appreciate the concern of newspapers to avoid government interference which I share.

Now, with the conglomerate situation which has developed in the United States, conglomerates owning media, and with several examples of it already developing in Canada, is there any point where you see quite aside from existing legislation (the Combines Act), is there any point where you see government intervention here as an essential thing if only to protect the freedom of press as we know it?

Mr. Cooper: I would hate to see direct government intervention. I am not quite sure—this is hypothetical—at what stage anything of this sort could arrive. In Britain they had something but I am a little hazy on the terms, but I know very well that Roy Thomson after consummating his deal with the *Times* had to go to some government-appointed body for approval, and it could very well be that, well, I think the British situation would have to be pretty dire before I would like to see government intervention.

I don't want to seem completely negative here, but I am not at all enamoured with the idea of a press council. I happen to be chairman of the Commonwealth Press Union and I've been over to England every year and talked with people there, and it isn't the high success that people would have you believe. In later months, they failed miserably in trying to control the Christine Keeler memoirs and...

The Chairman: May I ask you this: could they control the Christine Keeler memoirs?

Mr. Cooper: Well, I don't think—or know how they could. You have to leave the newspapers freedom of the press.

The Chairman: So you think the publication of the Christine Keeler memoirs was in the public interest?

Mr. Cooper: I wouldn't decide that.

The Chairman: Would the *Globe and Mail* have published them?

Mr. Cooper: No.

Senator Prowse: With the right to make decision as to whether what they were going to publish was in the public interest?

Mr. Cooper: Well, I would like to add this, and then I would cut it off. I would be so scared of a press council being started here and then failing, because it would then open the door for government intervention. I don't think it would work constitutionally but one thing I might suggest you might give some thought to, gentlemen, and this is only off the top of my head—it's not good enough just to knock everything.

Is there any future possibility in setting up and endowing a chair of journalism at a senior university? I don't mean a school of journalism, because we have those, but I was wondering couldn't we have something where they could do research; they could comment; they could survey the whole philosophy and structure of newspapers and where they could convey the whole philosophy and structure of newspapers away from government interference and away from the public interest. Maybe we could establish something like Columbia University in New York; something where they could do interesting research and hold seminars and studies like the London School of Economics.

I believe that could be quite a useful service to the newspapers and the communications media of Canada. I am a little hazy about the financial foundations and a little hazy about their personnel, but I would like to see it go in that direction.

Maybe I am selfish. The academics seem to like us, so perhaps that is one of the reasons.

Senator Prowse: Well, there is just one thought. I remember when there was an outfit by the name of Technocracy that was going to run the world for us and maybe some of you can remember it.

What they were going to do was they weren't going to leave it to politicians, they weren't going to leave it to presidents; they were going to get engineers to solve all the engineering problems, and lawyers to solve the legal problems, and that everything was going to be run by experts. And the only place that it seemed to break down was they could never find out who the devil was going

to direct the experts. I am a little bit afraid that your suggestion might have the same faults.

Mr. Cooper: Well, we have to do a lot of soul-searching, but we don't do it publicly. It could very well be that there might be some merits to something along this line.

The Chairman: Well, Mr. Cooper, may I thank you for an interesting and useful presentation. In a sense I feel that I must apologize, for, like myself, the senators are inhibited by the clock on the wall. They realize—and I want to underline for their benefit—that we are meeting at eight o'clock tonight. I want to thank you, Mr. Cooper, and the other representatives from the *Globe and Mail*, and I again wish to thank you, Mr. Malone.

The Committee adjourned.

(Upon resuming at 8.00 p.m.)

The Chairman: Honourable Senators, this evening we are going to receive a submission from the Canadian Labour Congress. I apologize for the delay in the beginning. I should introduce the people who are here with me. On my immediate right is Mr. Donald MacDonald, the President of the Canadian Labour Congress; on his immediate right is Mr. Jack Williams a CLC director of public relations. On my immediate left is Mr. Joe Morris the Executive Vice-President and on his left is Mr. Andy Andras who is the Director of Legislation and Government Employees Departments.

Mr. MacDonald, we received your brief a number of weeks ago and it has been circulated, read and studied by the Senators. They will ask you questions on the contents of the brief and perhaps questions on material which is not contained in the brief. As well they may ask you questions on the oral statement which you are now free to make. There is no obligation to make an opening statement but if you wish, sir, you may take 10, 12 or 15 minutes to do so.

Mr. Donald MacDonald, President, Canadian Labour Congress: Thank you very much Senator Davey.

Honourable Senators it is not my intention to give any lengthy opening statement but perhaps I will give you a summary of the submission which we have sent to you and which I believe you have all read. I believe it

might be in order to summarize it at this time.

As you no doubt have noticed we have suggested that the quality of material used by the Canadian mass media should be improved and controlled outlets diversified. We urge greater use of Canadian talent and materials and propose that active efforts could be initiated to seek methods of developing more outlets and more effective competition.

We also say that in some instances unions have been discriminated against by the refusal of outlets to sell time and that reporting of labour events is often skimpy and distorted.

We go on to point out that although trade unionists and their families constitute about one-third of the entire Canadian population they are either totally disregarded or treated as some alien force in the community.

In terms of news content and editorial opinion it is our view that Canadian newspapers tend to treat organized labour at best as some kind of a necessary evil. We emphasize the fact that never before have so many people been exposed to so vast an array of information through so many sources. Because of this the mass media is vested with a public interest which in our view is preponderant to any private or commercial interest.

We then turned our attention to the concentration of ownership and have stated that any monopoly or near monopoly is inherently dangerous in itself because of the tendency of power to corrupt. Where monopolies or near monopolies exist in the field of communications we feel that the danger is very much greater because of the reliance of the community on the newspaper as its principal source of information.

We suggest that energetic steps should be taken to provide alternative sources of information.

We feel that known advances in technology might facilitate the launching of new newspapers and we propose an intense investigation of methods to encourage such ventures.

We also expressed the opinion that consideration might be given to the encouragement of ownership by non-commercial interests and we emphasize the damage caused by publication of non-profit organizations by the share increases in postal rates.

We see considerable danger in the media outlets being owned by persons or groups whose primary interests are in other areas and suggest that there should be a clear separation.

ration to avoid even the appearance of a conflict of interest.

We further state that a newspaper or local radio or TV station which is owned in common with the papermill for example would hardly be expected to be well disposed to reporting fully the problems of water pollution. Not necessarily because of any direct influence that might be brought to bear but because obviously it would perhaps feel it wise not to do so.

With regard to quality and sources of material we say that there has been and is a strong foreign influence. With a large volume of the material Canadians receive originating in the United States—foreign influence on the content of Canadian newspapers is probably seen at its worst in the handling of international news. Most of our newspapers are heavily dependent upon the Canadian Press service both as its source of international news and of Canadian news outside their own communities. We suggest that the Canadian Press is little more than a collecting and editing agency. It originates comparatively little material of its own and that its weakness in this regard may well be a reflection of the unwillingness of Canadian publishers who own and control it to devote editorial services and expenditures of the proportion necessary so that the Canadian public is to be given good service.

We then turn to broadcasting and say that the CBC has made some effort to use Canadian talent but the interest of private broadcasters in this respect, as far as we can observe, is almost microscopic. We further go on to say that altogether too many Canadians of artistic merit have been driven abroad because there seems to have been no place for their ability in Canada. If ever the Americanization of Canada has been a problem, the private broadcasters have been the chief agents for its enhancement. It is not that these private broadcasters have been interested in the dissemination of such programmes because they were American but because they were cheap, popular and readily available and it is easier to make a profit from them.

We finally express our opinion that the CBC facilities should be expanded; and in the area of film we recommend the expansion of the National Film Board rather than a reduction in its operations as has been recently indicated.

Lastly we say that there should be greater recognition of Canadian commercial film com-

panies. This, Mr. Chairman, is a very, very brief summary.

The Chairman: It is a good summary.

Mr. MacDonald: As you know it is not reflective of all that is contained in our memorandum but we are prepared, of course, to try and respond to any questions that might arise on what we have submitted. I personally don't claim any particular expertise but we will be pleased to answer any questions.

The Chairman: Mr. MacDonald would you like our questions to be directed at you or at the other members?

Mr. MacDonald: It doesn't matter.

The Chairman: Perhaps they can be directed to you and if you wish you may direct them to any one of your colleagues.

Mr. MacDonald: Fine.

The Chairman: I think perhaps Mr. Fortier has the first question.

Mr. Fortier: Thank you, Mr. Chairman.

Mr. MacDonald, do any of your affiliated and chartered organizations publish newspapers. Do you read many of them?

Mr. MacDonald: I suppose that is a relative term. I read a relatively limited number and scan a few more but probably as you are aware there are literally hundreds of them at the various levels of our structure.

Mr. Fortier: But you do make it a point to read some of them?

Mr. MacDonald: Yes, sir.

Mr. Fortier: Now, this question you may either field yourself or direct it to one of your colleagues. Do you know how the publishers of those trade union papers assure objectivity and expression of diverse points of view in their publications?

Mr. MacDonald: I don't think there is any general answer to that. As I say, there are publications at all levels and normally those publications are not regarded as newspapers in the ordinary sense of the word. Some of them are shop papers, or local union papers, area papers, district papers and so on and normally they regard it as a means of dissemination of information to the membership.

Mr. Fortier: Of information?

Mr. MacDonald: Yes.

Mr. Fortier: Of information concerning news events which may be of interest to their members. Is that correct?

Mr. MacDonald: Policies as well. Policies play a very important part in the content in most of our publications. Events as well, you are quite right; developments, and this sort of thing; they vary all over the lot.

Mr. Fortier: In any one of these publications to your knowledge is there room for letters to the editors?

Mr. MacDonald: Some yes, some no.

Mr. Fortier: Again, to your knowledge in those where there is no space made available for letters to the editor is that because there are no letters or is it because it is not a policy of the paper?

Mr. MacDonald: I think it would be because it is not a policy of the paper. Many of them are extremely limited in size and scope as to coverage and many of them are produced on a voluntary basis. This is done without any staff, in fact, with the majority of them. That doesn't hold true when you get above the local or district levels. When you get up to the level of our national affiliates and sometimes even one echelon lower you will find that there might be paid individuals sometimes.

Of course, at the top level there are usually paid staff, but very small ones.

Mr. Fortier: Now going on to an area where you possibly have more personal knowledge. Do you read newspapers daily?

Mr. MacDonald: Some. I may as well be more precise. I should state to you, two.

Mr. Fortier: Which ones?

Mr. MacDonald: The *Globe and Mail* and the *Ottawa Citizen*.

Mr. Fortier: To your comments, the comments which we find in your brief with respect to newspaper treatment of trade union news, in your personal experience can you relate that statement to the *Globe and Mail* and to the *Ottawa Citizen*?

Mr. MacDonald: Yes.

Mr. Fortier: Can you give us examples or instances?

Mr. MacDonald: Well, let me say that by

comparison to the coverage of news of practically every other aspect of human endeavour of large groups within society, that the coverage by both newspapers is quite sparse on the news coverage. Having said that, I should go on, in all fairness, to say that the *Globe and Mail* on the other hand, has probably the best informed and the most competent labour reporter in Canada, when it comes to labour material that is covered by that individual.

The *Ottawa Citizen*, its coverage of labour news—this is labour news in the general sense I am talking about—is so little that it is of no consequence. It would be pretty difficult for an ordinary Ottawan to ever discover the fact that the Canadian Labour Congress exists by reading the *Ottawa Citizen*.

Mr. Fortier: Well, let us move from the realm of generalities to the realm of specifics. In recent days or in recent weeks what new about labour was not published in either one of these newspapers which in your opinion should have been published?

Mr. MacDonald: I don't know what you would like to take as an example, a month perhaps. I would hazard a guess, just an educated guess, that we produce out of our public relations department—and the director is here—an average of two major press releases a week. Is that right Jack?

Mr. Jack Williams (Director of Public Relations of The Canadian Labour Congress): On an average.

Mr. MacDonald: I don't ever recall having seen any. We regard it as important news because we wouldn't put out a press release otherwise. I don't recall ever having seen one of those in the *Ottawa Citizen*, or anything on the subject matter.

Mr. Fortier: Could you tell the Committee from memory the subject matter of one of these press releases which did not reach the *Citizen*?

Mr. MacDonald: Probably there is nothing in the last six months which we have said and written as much about as labour's position versus the Prices and Incomes Commission. Anyone who would try to get an impression of our position on what we have said, what we have written from the *Ottawa Citizen* would have a pretty difficult time. I don't know how many statements and releases we have put out on it.

Mr. Fortier: I read something about it the

week. I don't know whether it was in the *Citizen* but did you not have a meeting in Toronto earlier this week or the end of last week?

Mr. MacDonald: No.

Mr. Fortier: Was it not the CLC?

Mr. MacDonald: No.

Mr. Fortier: Well, there was something in the newspaper says this week emanating from labour. It emanated from labour and its reaction to...

Mr. MacDonald: There have been general references made in editorials about labour's attitude.

Senator Prowse: Or in wrap-up stories.

Mr. MacDonald: Yes, general stories.

The Chairman: Was that in the Toronto press?

Mr. Fortier: No, I am referring to the Ottawa press.

The Chairman: You read this story in the Ottawa press?

Mr. Fortier: Oh, definitely. It may not have emanated from the CLC. It may have emanated from another labour body.

The Chairman: Does one of the gentlemen on the side have something to say?

Mr. Murray Cotterill: I think he is referring to the fact that the United Automobile Workers had a meeting; but I am not too surprised that from reading the paper he doesn't know the difference.

Mr. Fortier: I have no answer for that one. What you are telling the Committee is that over a period of six months an average of two press releases...

Mr. MacDonald: No, that isn't what I said. I said one month as a yardstick because I wanted to get it within some framework in order to try and give you as precise an answer as I could.

Mr. Fortier: Yes.

Mr. MacDonald: I said one month. It might be also true—is it true over six months?

Mr. Williams: Over six months as far as the *Citizen* is concerned, I would say yes.

Mr. MacDonald: Yes.

Mr. Fortier: Is it your opinion, Mr. MacDonald that there is a conscious effort on the part of the *Ottawa Citizen* to abstain from publishing the news relating to labour? Is that what you are saying?

Mr. MacDonald: No. It isn't.

Mr. Fortier: Well, how do you explain it?

Mr. MacDonald: I don't know their motivation.

Mr. Fortier: Have your public relations people ever attempted to remedy it?

Mr. MacDonald: The *Ottawa Citizen* is only one of dozens of daily newspapers in Canada. Only one and I get about Canada a great deal—not only Canada but many countries. A great deal and our memorandum didn't centre in on any one particular newspaper.

As a matter of fact if you were to ask me the question by way of local parochial coverage I think that the *Ottawa Citizen* is comparable to most newspapers in Canada. I don't want to lose proper balance in...

Mr. Fortier: No, but I wanted you to deal with my first question. Those newspapers with which you have first hand knowledge. Let me ask you this. These press releases, are they distributed to all major newspapers in Canada?

Mr. Williams: They are through Canadian Press and through the Press Gallery here. They are fed directly to all Ottawa papers.

Mr. Fortier: Directly to all Ottawa papers?

Mr. Williams: Directly to all Ottawa papers, through the Gallery and including CP of course, (which we figure is our basic coverage) and to a number of key papers by mail but that really is meaningless because it is merely for background work. By the time it reaches them it's been handled by the wire.

The Chairman: Are you sure Mr. Williams that CP is putting your stuff on the wire?

Mr. Williams: I think that CP carries a story on practically every release we put out.

The Chairman: So your grievance is not with CP?

Mr. Williams: No. We may have grievances with CP from time to time. We may complain about the accuracy of their particular story or something like that—but, basically, no. We have rather a strict policy on releases and we

make it a point not to put out a release unless we feel it is really a legitimate story, and because of that we get a bit sensitive when they don't receive any attention.

Mr. Fortier: Well, you are saying that by and large newspapers in Canada—I don't want to exaggerate so if I do please correct me—but by and large, newspapers in Canada—you have dealt with the Ottawa situation—do not carry those press releases which emanate from the CLC and are handed to the Canadian Press right here in Ottawa?

Mr. MacDonald: Some do, some don't. Some will carry some and some will carry none.

Mr. Fortier: Would you elaborate somewhat and tell us in precise terms as possible which ones do and which ones don't. Are you able to do that?

Mr. MacDonald: Oh, dear heavens no. In fact, I doubt if I could even from memory tell you the daily newspapers that I read.

Mr. Fortier: I think this would be very important.

Mr. MacDonald: But, I will tell you what I will do. This is the direction of the question it might be helpful. I came originally from a small city down in Cape Breton which has one newspaper. Its editorial policy is very unsympathetic towards us, but I notice, when I see the thing, that it carries practically everything that we release.

We don't, as Mr. Williams has said, we just don't put out news releases by the barrage method because we are very careful and very selective. It would be pretty difficult to find anything in the two major newspapers in Saskatchewan at any time. I think probably if I were to assault some political dignitary it might receive coverage.

The Chairman: Particularly in Saskatchewan!

Mr. Williams: May I add something there. I think in all fairness it should be said that we haven't done a detailed study but we are sure that in the French press in Canada we get far better shake than we do in the English press.

Mr. MacDonald: Right.

Mr. Fortier: You say you have not made a detailed study and thank you for making that point. You say you have not made a detailed study of this absence of news in Canadian

newspapers but it seems to me that your assertion is a very bold and all embracing one and it is terribly serious if as Mr. MacDonald indicates there is this conscientious effort on the part of newspaper publishers in Canada not to publish news which emanates from the CLC. This is in fact what you are saying.

Mr. MacDonald: I must say in my own self defence that I did not make that assertion. I did not say that there was a conscientious effort. At one point you asked me a question of that nature and I was very careful to qualify it.

Mr. Fortier: Well, please correct me.

Mr. MacDonald: I told you that I wasn't aware of any motivations. In some cases it might be hostility, it might be conscious but in other cases it might not be at all.

Mr. Fortier: But, the end result is the same—non-publication of the news?

Mr. MacDonald: In many cases it might be apathy, disinterest and all of it, as we point out in the brief, is a matter of selective editing and there might not be any conscious prejudice on the part of those who are doing the selection.

Mr. Fortier: You and I do not know what motivates the publisher?

Mr. MacDonald: No.

Mr. Fortier: I agree but I would like to get it straight—get it very clear on the record because of the assertions which you make in your brief. On page 9, paragraph 20 you say:

"In terms of news content and editorial opinion, Canada's daily newspapers tend to treat organized labour at best as some kind of a necessary evil."

Earlier on in the same paragraph you say: "News about trade union activities is skimpy or distorted." These are very serious—I would term them accusations, but now you come before this Committee and you say "Well, we have never really made a study" and I think it would be very useful if you could make a study, I suggest Mr. Chairman, and submit it to this Committee. Take a two or three month period and the number of press releases which you handed to Canadian Press during that time and how many of them were published in how many Canadian newspapers across the land. I think this would be very important.

Mr. MacDonald: Well, the Canadian Labour

Congress is in itself a national labour body. The press releases I am talking about are those emanating from our own headquarters here in Ottawa. We have 116 affiliates throughout this country—right across the length and breadth of this country.

Mr. Fortier: But you are speaking for them are?

Mr. MacDonald: That's right and that is the point I want to make right at this moment. I would suggest that the majority of those produce news and that they do things that are worthy of coverage and attention and have the public interest.

The Chairman: May I just ask at this point, talking about that kind of news which is worthy of coverage and so on—presumably you are not now referring to the kind of press release you are putting out from Ottawa which states the CLC's position on—well, you mentioned the Commission on Prices and Incomes and so on. Do these 116 affiliates also put out press releases?

Mr. MacDonald: Some of them, yes.

The Chairman: On issues of the day?

Mr. MacDonald: Yes. We have some of our people from our affiliates here tonight.

The Chairman: Well, it might be interesting if we could have some of them make comments. They would be most welcomed.

Mr. Cotterill: Well, Senator Davey, I find myself in a rather difficult position in answering this because naturally the Congress briefs with the question of the Congress itself in the media. If I were to make a comment I would say that my chief critique of the press in this question of press releases would be that with very few exceptions the press has very little interest in, and seldom assigns anybody who is a specialist, a competent specialist in the area of collective bargaining—and I think that expression rather than union.

You can't have collective bargaining without the union. The simple fact of life is the collective bargaining process in Canada affects our economy—I hate to say a thing like this in Ottawa—but I think it affects our economy more than Government policy. What happens to people's wages, what happens to people's job securities, their pensions and so on, and things of this sort really have a very basic effect on the Canadian economy.

I think generally speaking the media in this

country treat the whole collective bargaining process merely as a possible area of conflict which is worthy of headlines.

Before Mr. Jack Williams became the public relations officer of this Congress, he was essentially the collective bargaining specialist at the Canadian Press. I know of no person in Canadian Press today who gets stories regarding the collective bargaining process, to evaluate their importance and significance, or anything else.

In other words a collective bargaining story is only important really if there is a potential strike. The fact that 95 per cent of the settlements are without strikes and that these settlements have a tremendous effect upon the economy and the tax income of Canada are completely unrelated.

There are only a few newspapers in some of the larger centres who have anyone who specializes in the subject. In fact, many of the newspapers make a point of making certain that nobody becomes a specialist. I would say that the problem with the media today is in dealings with the collective bargaining process. I say that instead of "union" because after all unions are only one side of it. They are only one side of the collective bargaining process because there are many large companies in Canada who have collective grievances too. There is very little reporting in depth of what is one of the most important aspects of the entire economic system in this country, except a series of completely isolated and completely uncoordinated strikes or potential strikes.

Mr. Fortier: I suppose the view—you may agree sir—the view which has been expressed before this Committee finds some relevance here—that good news is no news?

Mr. Cotterill: No, I don't believe that is true. The media is going through a very difficult time. We have television with a particular form of news and if there is somebody being shot in the head or if there is a fire, or if there is time to get the cameras to a demonstration, this sort of news appears.

I am not being nasty about this but every media has its own built in limitations. If you are going to get a picture on television you obviously have to get a camera. On radio you just don't have the time. The CBC has time to go into depth broadcasting but the average commercial station considers that their public service is over when they present the news in a headline form once an hour. Its very difficult to do anything in depth in a headline

and in many newspapers, they try to compete by having headlines which affect sales but have very little relation to the story.

This is the problem that the media faces and I haven't any answer except to say one thing, Senator; I am quite sure that Murphy's law applies to the newspapers as well as to anything else, namely that if a thing can happen it probably will which is a very sound law of politics or anything else.

For example the T. Eaton company in Toronto, a few weeks ago decided to make a major move and lay-off all its senior employees and hire a contractor to do the maintenance and kindly offered their senior employees jobs with the maintenance company at \$1 an hour less. I am quite certain that the Newspaper Guild in Toronto would not have any difficulty being able to report it in its own publications. The three Toronto papers very conveniently ignored this story. This doesn't strike me as being terribly wicked but why should any newspaper reporter or editor, or anybody else in the lower echelons really stick their neck out? They know that the purpose of the newspaper is to wrap up advertising with news and they do a very conscientious job.

My criticism is that we have very important social developments. The media as a general rule never even imagined for one moment that there were going to be riots in the ghettos in the United States until they happened. From that moment on all you had to do was to have an African haircut, a costume, and light a match and you were a cinch for the front page. This suddenly became news.

This is the sort of thing that really worries me—that from the labour unions' point of view I think the whole collective bargaining process is treated in a very incoordinated manner, very shabbily, and that very few of our newspapers nowadays will allow a reporter to become a specialist in various subjects.

May I just say one more thing to conclude. Did it ever occur to you that it is very very strange that our radio, our television and our newspapers can print the stock market figures every day when a very small proportion of the Canadian public are really interested in stock markets figures, yet I know of no newspaper in Canada that prints the wage rates every day despite the fact that the vast majority of the Canadian people really depend upon wage rates and don't depend

upon stock market quotations for a living. just strikes me that the media aren't really trying to cover this thing in depth properly.

Mr. Fortier: But there is an association you well know which publishes stock market prices.

Mr. Cotterill: Oh, yes I know that.

Mr. Fortier: Well, why would not the unions publish through an association of some sort, the wage rates?

Mr. Cotterill: Well, you are talking here of...

Mr. Fortier: And make sure that they are handed to the newspapers.

Mr. Cotterill: For a very good reason suppose because we have been under the naive illusion that the newspapers like to be for news and supply it rather than having supplied to them.

Mr. Fortier: Are you suggesting that the newspapers dig for stock market quotations?

Mr. Cotterill: I know they don't and so you. I am suggesting that if it is necessary other people to supply the news well then suggest that the scope of your Committee investigations should be everybody and not merely the media.

The Chairman: Are you suggesting that the newspapers should stop publishing stock market quotations?

Mr. Cotterill: No I am not.

The Chairman: Are you suggesting that they should start publishing wage rates every day?

Mr. Cotterill: I am suggesting that it is a peculiar thing. All I am trying to say Senator is this—it is a very peculiar thing to me that the vast majority of people in Canada today are no longer independent businessmen, they are no longer people who clip coupons as my grandfather used to call them, are no longer farmers. They are people who depend on their entire lives and their children's lives and their wives' lives on the wages they get.

Mr. Fortier: Many of them depend on the stock market quotations.

Mr. Cotterill: Not very many to be honest with you. The people who are interested in the stock market quotations are not the people who built the industry in Canada.

people who built the industry in Canada are men who know what they want to build, who build after them, who build and are not terribly interested in whether there is a slight fluctuation of a few pennies on the stock market.

Mr. Fortier: The majority of wage earners are not interested in the stock market?

Mr. Cotterill: I am suggesting that the majority of the wage earners are not terribly interested in the stock market quotations. That is what I said. Please don't put words in my mouth. I said they are not interested in the stock market quotations but they are terribly interested in the wage rates. That is all I said.

Mr. Francis Eady: I would like to give a little bit of an example of the type of problem that we face in Canada.

Take the question that President MacDonald raised about the Prices and Incomes Commission. We have been trying to get across and our director of public relations is here—we have been trying to get a message across to the Canadian public regarding the fight of hospital workers.

There is a great deal of talk about hospitals and how much it costs per day in a hospital. We have people struggling along. We have just had a dispute in Saskatchewan where we have been trying to get the people the minimum wage of a dollar seventy-five an hour but we had a strike. As soon as the strike hit, there was lots of news that a hospital in Prince Albert and a hospital in Estevan were on strike. But the issues involved were why these hospital workers were out on strike, what were the economic conditions of those workers, how come that it was possible in Estevan to work in a hospital and earn less money if you had a certain number of dependents than you would if you lived on welfare. These are the types of problems that the people should know about.

For example, our President Mr. MacDonald, has tried to take issue with Dr. Young of the Prices and Incomes Commission. It is all very well to have guidelines, but guidelines limiting increases to say 7% as applied to a hydro worker who is relatively wealthy compared to a hospital worker have no meaning. We have been trying to get this issue across to the Canadian people.

What are we to do about the unpaid worker? Unless there is a strike, unless there is a picket line and preferably if there is a little bit of violence outside the papers that have

an informed newspaper reporter—if you ring the city desk and say it is CUPE the first question you will receive is "What is CUPE?" You tell them that it is the Canadian Union of Public Employees and you literally start from there in explaining the issues because unfortunately the reporters and the representatives of the Newspaper Guild know that on most of the average daily papers outside of the main metropolitan centres, there is no training system to provide informed reporters who can specialize in the important areas which Mr. Cotterill was mentioning—collective bargaining which is part of everybody's life.

For example, I don't expect, to take Mr. Cotterill's point, that they would report the 12 employees of X municipality who reached a certain settlement, but I think it might be important news for the citizens in general when our union makes a settlement to know what the wage rates are and what the settlement was and also what impact it is going to have on the mill rate. It is very very hard to get this information at present.

The Chairman: The facts you spoke about in the Saskatchewan hospital case were not new to me and therefore I must have read them somewhere in the daily press.

Mr. Eady: Yes. Once it hit, once there is a strike, there was a great deal of news.

The Chairman: Which is the point you are making?

Mr. Eady: Yes. While we were building up and trying our best to avoid the strike and when we were for example, in one case—I think it was in Prince Albert—agreeing that we shouldn't allow garbage to pile up—normally our people don't cross their own picket lines but we arranged that our garbage collectors would go in and pick it up—that wasn't news. If we'd smashed a window, boy, it would have been news very quickly.

Senator Prowse: Or if you made the garbage pile up it would have been news.

Mr. Eady: If we would have let the garbage pile up, it would have been news—yes. They would have said "how can you treat the poor people in the homes like this" but yes the poor people in the homes, as you know Senator Davey, are very often the fathers and mothers and brothers and sisters of other union members in Prince Albert.

The Chairman: Well, I can't speak for the Committee, I can only speak for myself. I take

the point of the brief on this question of coverage and I sympathize with it. I believe the point that Mr. Fortier was driving at—I am not being critical of the brief Mr. MacDonald—but it would be helpful to us if you could be more specific as Mr. Eady has said and give us some specific examples.

Mr. Andy Andras, Director of Legislation and Government Employees Departments: It isn't necessary to be specific.

The Chairman: Why not?

Mr. Andras: We are dealing here in institutional terms. We came before you and said something to this effect. We are an institution with one million six hundred thousand members. You take them and their dependents and it would make up a quarter to a third of the Canadian population. We have been here since Confederation and before. We play an active part in the life of Canada. We are as much an institution in Canada as the churches, co-operatives, women's institutes, the Canadian Chamber of Commerce and everybody else.

You referred Mr. Chairman to paragraph 19 and 20 if I remember correctly and I refer you to paragraphs 22 and 23 where we report on a Commission in the United States known as a Commission on the Freedom of the Press and in paragraph 23 it gives five criteria of a good press.

I draw your attention to item number 3 which is as follows:

"The projection of a representative picture of the constituent groups in the society,"

I, as a functionary in the Canadian Labour Congress, have coming to me, year in and year out, high school and university students who are writing essays or a thesis on trade union matters given to them by their teachers. These are youngsters who have grown up in Canada who presumably read the press—at least some of them must—their unawareness of the trade union as an institution is beyond belief.

It is not a matter of strikes, it is not a matter of garbage, it is a matter of an awareness that there exists in Canada an institution which represents directly a quarter of the Canadian people and has a pervasive influence on their lives.

You can read the Canadian press and listen to Canadian radio and watch Canadian television, and read the magazines from now until

the cows come home and you will get at best a distorted picture of what the labour movement of Canada stands for. This is our criticism.

It is no use asking for specifics because specifics don't matter a damn.

The Chairman: I would just say in answer to that, Mr. Andras, that we have had many publishers come before us and very often in their briefs they make the most general kind of statements. Wherever possible, we have asked them to be specific. I would say to you as well in reply that we have decided that this study would be enhanced if instead of simply calling a string of media people, that is publishers and broadcasters and so on, are indeed of the working press, it would be useful if we called men who were nationally prominent in communications and organizations who, for one reason or another, had particular interest in the media.

Now, we have had only a few of the organizations but there will be many more coming in the course of the hearings. Each of these organizations and institutions think that it is as important as yours. I take the point which Mr. Cotterill was making about the number of people whose lives are affected by your movement but I think it is fair to say that in terms of your institutional thrust, all of the workers are as concerned about this as you are.

While I take your point about the importance of the institutional thrust and, please believe me, I do, I must say in terms of the ultimate report which hopefully we will produce, it will not be enough for us to deal in vague generalities. We will have to have specific instances.

Mr. Andras: Well, with respect, Mr. Chairman, it is not a vague generality. I am suggesting to you that it is not a matter only of counting column inches. It is a matter of seeing the net result of newspaper effort—not the newspapers, we are talking about the media in general—and I think it is unrealistic to single out the papers and to let other media off.

The Chairman: Yes, you are right.

Mr. Andras: They are all in this and as you have heard from our President and others there is a variation of the quality of the press of its coverage and it is inevitable.

There are large papers and small ones and those with large resources are better off

the same applies with radio stations and television stations. What we are concerned about here, is for an understanding by the public. This is difficult to measure in specific terms—by whether or not the *Ottawa Citizen* or the *Journal* or the *Glace Bay Gazette* carries so many inches of space. It is not only a matter of inches it is a matter of what they do.

Let me just proceed on this. I am not making an individual comparison with my own President because it is not good to do so. I read three papers a day.

The Chairman: Which three?

Mr. Andras: The *Montreal Gazette*, because it is my native city, the *Ottawa Citizen* and the *Toronto Globe*. The two major metropolitan areas and the town where I live. This to me seems to make sense.

The Chairman: The town where you live?

Mr. Andras: Mr. Chairman, I was born and raised in Montreal and by comparison to my home town Ottawa is not a city. However, that is not a criticism of Ottawa it is a question of relativity really.

The Chairman: I quite agree with you.

Mr. Andras: I have been living here since 1940 and there is nothing pejorative about my comparison. I want to point this out which is something which you are aware of—and I am not trying to teach my grandmother how to cook an egg—but you take any fair size city newspaper in Canada and examine its contents—we call them newspapers—it is a generic term—but it is not only a newspaper. It caters to a great many tastes, a great many interests, and it provides more than news in the dictionary sense of that term. For example all the three papers that I read and those that I see in my travels—all of us—all my colleagues and myself go across this country from coast to coast and read the local papers—you will find that on Thursday there is a women's section in these papers. It may run from one to three or four pages and on Saturday in certainly the local paper, and in the Toronto metropolitan papers, you have a church or a religious section.

You have a daily astrological section; you have daily advice to the lovelorn and to other such pathetic people who must go to the public press for advice on how to conduct their lives; you have an infinite number of predictions to the interest of readers. You have

not in any paper of Canada, and I will say this without having read all of them, any concerned and concrete and consistent effort to inform the readers of those papers, no matter where they are, that there is a very complex Canadian institution known as organized labour—that it doesn't only engage in collective bargaining, it does many other things.

There is no effort on the part of any newspaper that I have read in Canada to do as consistently about labour as they do for women, for the churches, for international affairs, for those who think their lives are guided by the stars...

Senator Prowse: Or bridge players?

Mr. Andras: Or bridge players, chess players and so on.

The Chairman: I take your point but what troubles me is this. Surely there are members of the CLC, of the unions across the country, who are interested in astrology, who are interested in advice to the lovelorn and who are interested in the women's pages.

Mr. Joseph Morris (Executive Vice-President of The Canadian Labour Congress): But they are also interested in the trade union movement and that part of their interest is not being satisfied.

Now, you can go from one end of the country to the other, as Mr. MacDonald and other of our colleagues have said—I am a great traveller as well. This is necessary in our business and I am an avid newspaper reader. I read four papers. I read the *Montreal Gazette*, I read the *Journal*, the *Globe and Mail* and the *Vancouver Province*. I read the *Vancouver Province* because that is my natural habitat.

They also have a good labour reporter. He is one of the three or four best in Canada. Almost every day they have a story on labour but that is only because they have a labour reporter who is assigned specifically to that beat. There are very few newspapers in Canada that have a man who is specifically assigned to the labour beat. Most of the stories that are being written on labour are rewrite stories. Many of them don't reflect, as has been stated here, the real problems that surrounded the real question that is being written for public consumption.

A case in point is our position on the Prices and Incomes Commission. You can read occasional editorials of how they are going to

handle the question of prices and incomes and in every case the position of labour is not stated as was stated by labour or the CLC. It is only somebody's opinion as to what they think we mean. It is not what we actually mean.

This is what happens everytime and this is the biggest criticism that we have, the handling of labour news. What it comes down to is that it is not written by somebody who knows the business, it is not written specifically for that section of the public that is interested in labour.

They write columns on stamps for those who are interested in stamps and columns on chess for those who are interested in chess but in our case it is just simply written by somebody who is doing a rewrite story that he has picked up from some place else.

Another thing about newspapers in Canada. Sometimes you can read a story in the Vancouver papers on labour as on some other things and three or four days later you may read that same story in another version in the Ottawa papers. These are real problems and I think this is a valid criticism that could not be measured on the number of inches of space.

As Mr. Andras says it is not a question of how much coverage you get, it's the quality of the coverage and the story that is being conveyed, the story that is being reflected in almost every instance as labour news is not labour news. It is an editorializing of the labour situation.

The Chairman: It occurs to me that perhaps I am, as Chairman, giving perhaps too wide a latitude to our guests in terms of the length of your answers and to ourselves, Senators, in terms of issues that we specifically want to talk about.

This question of, to quote your brief, skimpy or distorted coverage of labour matters is only one matter we want to talk about so I don't want to be rude, and I am not being critical, nor do I want to cut short the discussion, but I would just remind all of us that there are other matters.

I have several Senators that have indicated that they would like to ask questions and I will turn to them in a moment but there was a gentleman who I think is one of your people who would like to say a few words. May I have your name please?

Mr. Robert Bouchard: I happen to be one of those who read papers in a different country I

guess, *Le Devoir* and *La Presse*, among others—I would like to carry on in French if I may.

The Chairman: Well, I am afraid we do not have our interpreter tonight but I am sure some of us will understand, and I am sure that Mr. Fortier will.

Mr. Bouchard: CLC is formed of French speaking members as well as English ones.

The Chairman: Well, you have made your point and I am embarrassed to say that our interpreters are not here this evening. Some of us will understand and certainly Mr. Fortier will; so, if you prefer, go ahead.

Mr. Fortier: You may speak French, of course.

Mr. Bouchard: In giving my testimony, I shall not talk about the big daily papers, only because it has always been said of such papers as *La Presse*, for example, that their reporters on union affairs are fairly competent, and fairly well versed in union matters or rather in union issues. As a result, their reporting has been fairly well executed, on the whole. At *Le Devoir*, at the time when Émile Garneau was union correspondent for that paper, there were a great many faults, the union affairs coverage, but it appears that some journalist has been submitting copy that is somewhat better than what we used to see a few years ago, and Mrs. Gagnon has gone over to the *Montreal Star*, as we know.

In my opinion, the quality of the union reporting obviously depends on the ability of the person who writes the copy. On daily papers, where it is possible to hire people with knowledge of the subject, they succeed in providing good, intelligently presented union news that gives the readers an accurate view whereby they can understand what is going on in the community.

But the problem of bad union coverage or biased or anti-union reporting is mainly to be found elsewhere, and as evidence of this Mr. Davey, let us discuss the question of newspapers and the other media—radio and television—in an area such as northwestern Quebec. With regard to two weeklies there, for example, "*Le Quotidien*" in Val d'Or and "*La Frontière*" in Noranda, it is common knowledge in Rouyn-Noranda that the Noranda company took over financial control of the local weeklies on or about May 10 and 1965. It was revealed—and not denied—that

the editor of the newspaper, Jean-Pierre Bonneville, owed the company \$65,000, a debt arising out of the financing of the paper. There are two papers, the "Rouyn-Noranda Press" and the Noranda "La Frontière", and he was obviously a fellow who succeeded in getting credit and subsidies from the biggest mining company in the area, and the biggest employer, because he was sympathetic to the company's ideas and just as deliberately anti-union. Quite a situation. A company managed to apply a muzzle, to cover up its anti-union attitudes, because it is in financial control of business. In my opinion, this should be banned, as requested in our brief.

With respect, I submit that your Committee should urge or apply strict measures to prevent employers from buying up communications media in such areas, where newspapers, at least, can barely survive without the support of big employers like that.

It is extremely difficult to compete because, of course, the market is small and newspapers are only just get by; all the writers and editors would be forced to sell advertising space to local merchants. All of which means that they are usually hard up, too.

Fortunately, in this same area, there is KRN-TV, which belongs to the Gourd interests—David, Armand Gourd—who are already well known for their more liberal attitudes; otherwise, the balance would be completely upset. I could go on to tell you some places in the country where there is a strong impression that the local weekly newspaper, as well as the broadcast media, are controlled by strong local interests, so that the opinions expressed are always anti-union. It is always the ideas of the "establishment" that are given most play in the reporting. Some of these papers will claim that "La Frontière", for example... well, it is true that some space is devoted to the union movement. It is true that some union press releases are published; but at any given moment, there are front-page editorials, and news with comment on the front page, on union matters. They condemn such and such a union leader; it has been going on for years. That testimony may be of assistance to you; the phenomenon does exist in some communities.

Rouyn-Noranda is a typical example. At the moment, I do not know whether Mr. Bonneville has paid his \$65,000 debt to Noranda Mines since 1965. I do not know. I know that for a number of years, he did owe that amount to the company. It was a situa-

tion with a well known mining company which controlled the press, and also muzzled the union and I do not consider that acceptable.

Mr. Fortier: Mr. Bouchard, are you referring only to the case in Rouyn-Noranda, to the Noranda company's ownership of the paper, or are you talking about the way in which news was handled in the paper after ownership passed to the Noranda company?

Mr. Bouchard: What do you mean by "handled"?

Mr. Fortier: How was news handled after the Noranda company became the owner, by comparison with the way it was handled before Noranda took over?

Mr. Bouchard: Well, you see, the Oblate fathers were the owners, they owned the paper before...

Mr. Fortier: There, too, like *Le Droit*...

Mr. Bouchard: Exactly, and it was the same interests, Le Syndicat des Oeuvres sociales Limitée.

Mr. Fortier: That's right, exactly.

Mr. Bouchard: They sold to Jean-Pierre Bonneville, and as soon as he arrived in Rouyn-Noranda, in 1958, he attacked union positions. At some point, he got together to establish relations with the management. Copies of the letters were obtained, and they enabled us to expose what was going on. We also obtained copies of the correspondence, etc. Before, there were people on "La Frontière"—correspondents and writers—who were very sympathetic to union movements and to change. There was no change in Mr. Bonneville's way of handling union issues. It was the same situation before, of course. In order to get control of the businesses—he was rather ambitious—he was obliged to obtain financial assistance from the Noranda company. Well, obviously, it was that that enabled him to make inquiries.

Mr. Fortier: I am going to ask you what I believe the members of the Committee regard as a very important question. How do you think an agency—let us call it an agency—of the Government could have prevented the Noranda company from buying the paper in question? Would you like me to put the question in English, as it is very important?

The point which was made by Mr. Bouchard was that a particular newspa-

per in the town of Rouyn Noranda purchased by Noranda mining...

Mr. Bouchard: They in effect loaned \$65,000 to an individual.

Mr. Fortier: And my question to Mr. Bouchard—this is a fact that is now before us, this Committee, and my question to him was how does he suggest that a similar situation be prevented in the future. Do you have any suggestions to make to the Committee as to how this could be prevented?

Mr. Bouchard: Well, the answer is...

The Chairman: Could you reply to that in English please?

Mr. Bouchard: I think the answer is in the brief. I have read the brief very thoroughly and the brief does talk about exterior interests in the media.

Mr. Cotterill: Mr. Chairman, may I ask a question?

The Chairman: Yes.

Mr. Cotterill: Is there anything which really prevents the state from setting down the rules of competition in the private sector? I mean, I am not suggesting anything terribly revolutionary but surely we must assume that if any large economic entity in the community has direct or indirect financial control in communications, this is bound to be harmful and to have certain social repercussions. We are already beginning to question the right of the private sector to make money irrespective of the social costs when it comes to pollution and a change of the environment. Is it really any fundamental threat to the free enterprise system to lay down certain ground rules that an economic institution should not control the means of communication in a community?

Mr. Eady: Mr. Senator, may I just make a specific example in the other media. The Radio and Television Commission laid down just such a ruling in the Famous Players case on the ownership. It seems to me that in radio now, the present Commission is laying down such rules and may be some of the same criteria should be applied to the other media as the CRTC has been applying in its field.

Mr. Fortier: The rule that the gentleman is referring to is the one on foreign ownership, isn't it?

Mr. Eady: Yes, but also on multiple media.

Mr. Fortier: As a matter of fact, the CRTC in this respect has overruled an earlier decision of the BBG—has said that insofar as multiple ownership of the CTV affiliate stations they are prepared to reconsider the BBG decision.

Mr. Eady: I was speaking of the other aspect the Commission is ruling on that of not giving licences or reviewing licences for radio and television stations, where there is a relationship between that and the newspaper or newspapers in the community.

The Chairman: I think that that was the reference he was making.

Mr. Fortier: As you know in broadcasting we are dealing with public property and this is the reason the CRTC came into being. There is no suggestion in the brief which read a number of times very carefully for legislative intervention by the state and this is what Mr. Bouchard has in effect suggested. Are the members of the Committee to understand Mr. MacDonald, that the CLC is suggesting that the Government intervene to prevent acquisition by a company which has other interests, of a newspaper or of a radio or of a television station. Is that what the CLC is suggesting?

Mr. MacDonald: We have it in our brief as a matter of fact.

Senator Prowse: Well, you deal with it in general way. You say that it is a bad thing but you don't deal with it specifically.

Mr. Fortier: I have it underlined and I have a question mark in the margin. What legislative measures are you recommending?

Mr. MacDonald: Well, actually, if one were to get down to precision, you couldn't answer it but it is a matter, as all such legislation of dealing with the problem and dealing with it effectively.

I have been a legislator in my life so know something about the difficulty of being precise in drafting legislation. We are posing the problem. We are offering solutions in general terms true, but from there in if the principle is accepted, then there it is.

Senator Prowse: Well, Mr. MacDonald.

The Chairman: Will you excuse me just a moment Senator Prowse. I know I have done this several times but I would just like to make the point that Senator Phillips has indicated he has a supplementary question.

and I believe Senator McElman indicated he had a supplementary question, then I want to turn to you. I think if I could just deal with the supplementary questions—yours Senator McElman I think was dealing with the question of the CRTC was it not?

Senator McElman: Well, I just wanted to correct what I think was a wrong impression.

The Chairman: Fine.

Senator McElman: Mr. Eady you suggested that the CRTC will not licence. I think in fact...

Mr. Eady: No, I didn't say that. They have some criteria by which they judge.

Senator McElman: But this is just one of the things they consider before they licence in fact before they will renew a licence. Is that right?

Mr. Eady: Yes.

Senator McElman: That is your understanding as well?

Mr. Eady: Yes, Senator.

The Chairman: Now, Senator Phillips had a supplementary question sometime ago but I am not sure what it was.

Senator Phillips: I was just going to suggest the very point that you made that instead of getting answers we were getting speeches and that we could probably shorten both the questions and the speeches and move along to the other points in the brief.

The Chairman: Thank you very much Senator. I will now turn to Senator Prowse.

Senator Prowse: I am going to direct this question to Mr. MacDonald and the others could perhaps listen to it. Let us suggest that we agree that it is a bad thing in principle that a person who controls one of the means of communications to the public, or the means by which the public communicates with each other, should also be the owner of other things in the community such as a business, the interest of which he might desire to protect as against the public. Now, that is what we are concerned about and we don't have to draw pictures because each one of us can fill in the details.

Now, this is the problem that we are faced with when we start to say what do we do about this. We are told that there are two reasons that you have the concentration of

ownership that is occurring today. One is high tax rates particularly succession duties which encourage sales; and secondly they say (we have asked them, Mr. Andras, for details of it and they haven't been forthcoming satisfactorily so far as I know) the refusal of labour to accept technological change and realistically face up to it.

Now, the whole thing comes down to this. In the areas where we have one newspaper towns in particular, which is of concern to us, it is going to cost approximately five or ten million dollars. The question then arises—where do you get somebody who has five or ten million dollars to risk to start a newspaper or to buy an established paper who doesn't have some other interest?

Now you can say that a company can't buy it but then surely it is just as serious if I buy it as a major shareholder in a company that needs protection of some kind. My company isn't interested but I become the director and controlling influence in the paper. It can be a serious thing.

In other words we have a real problem and if you don't come in here and find answers laid on the table I think you realize that it is not because we don't want to have the answers there to lay on the table but the reason is that you are unable to give us the detailed information we want. You just don't have it either but maybe if we get together we can get it.

Mr. MacDonald: Yes. We have, however, as you no doubt have noticed from reading our submission, Senator, we have made some suggestions in that area.

You have talked about the huge investments that are involved in Canada today and I suppose that is true. But there are, and we are aware of them, tremendous technological advances in this field. I confess readily at the outset that I don't claim any particular expertise in this field, but from what we are told by those who are much more knowledgeable than I am, that some of these techniques today have a tremendous effect on the reduction of first of all, the capital investment, and secondly the production cost.

You have gone from there to talk about the attitude probably of some of our unions, the traditional attitudes in the past.

Senator Prowse: As far as I am concerned it is alleged attitudes. I don't know myself.

Mr. MacDonald: Well, we rather anticipated that we might be asked something of that

nature here tonight and therefore we have checked with some of them. There is obviously an assumption that the attitudes that have been displayed in the past will never be changed. We are told quite the contrary. All of our unions and all of our people realize that there is technological change going on constantly and that they have to adapt to survive. I don't think frankly that there would be any problems, any real problems insofar as our unions are concerned by that type of introduction of new techniques in the establishment of new newspapers and this is what really we are talking about here.

Senator Prowse: Yes.

Mr. MacDonald: We also suggest as no doubt you have noticed certain forms of encouragement in order to help out in the diversification of control of such media. There has been three specific suggestions advanced in the contents of our brief. We have talked in terms of tax relief as one of them. We have also talked in terms of subsidies which I suppose in the minds of many might be a rather radical suggestion, and we have finally suggested too, relief in the form of lower postage rates.

These are all to my point of view concrete suggestions that we are advancing because of our concern with this type of thing.

If I may be permitted, Mr. Chairman, similar to yourself although I have a reputation for being long-winded, I don't want to be tonight, but in terms of this control of the media by other conglomerates which may have commercial interests, so far I notice that the discussion has centred very largely about the dangers inherent in such a situation which as you say we all have recognized upon a nationalistic basis.

Senator Prowse: National or regional.

Mr. MacDonald: Yes, within the confines of our own country.

Senator Prowse: Yes.

Mr. MacDonald: I suggest to you that we ought to be very very concerned about it going far beyond that in the light of the type of thing that is developing in the world today. Now, I am thinking broadly in terms of what is popularly known as conglomerates, these huge multiplex, multi-national combinations of capital.

It could well be that if the media falls under the control of such type of things, regardless of what industries they are

involved in, one pays little heed to the national interest. They have a supernatural interest in their terms but I also suggest that in such an eventuality there could be very very grave political consequences and as far as the international interests of our nation are concerned.

Senator Prowse: We have had one witness give us evidence about the effect of this on another country.

Mr. MacDonald: Oh, I didn't know that. I was speaking hypothetically and I was merely posing the problem but one doesn't have to be very far sighted to see that possibility. The is one other point if I may, Mr. Chairman.

The Chairman: Yes.

Mr. MacDonald: We were talking about the impact of the media on the public and explaining actually about the fact that we do not get the coverage which we believe the labour movement, the trade labour movement in Canada is entitled to, by virtue of the place it plays in society. But there is a very important aspect of that which I know not directly within the purview of this Committee but nevertheless I think I should make some reference to it.

It is the impression of us, who have had the opportunity to see things in other countries that our industrial relations' system here is one of the most archaic, and perhaps the most archaic in the western world. It is due to a large measure, in my personal opinion, to public attitudes.

The public attitudes in large measures are generated by the media. I say that there is nothing that reflects greater damage or potential damage on the interests of this nation than its people than that very thing.

In all fields of scientific advance we are the vanguard. We think we are pretty well the vanguard insofar as social development are concerned. In practically every other field of human endeavour we wish to talk about we feel that we are very advanced and are a very progressive nation.

In the field of industrial relations we are in a rut. So far in the rut that it is pathetic. We have not been able to do anything comparable to what has been done elsewhere. We are attributing all the blame to the media; and from it, there are other factors and we recognize them. We do say that the attitude of the media in what we have been talking about

contributes in large measure to the attitude of the public.

We are keenly sensitive to the fact that we are not being put in public favour in Canada today and we think that a large part of this is due to—I hate to use the word but I can't find an alternative—our public image.

The Chairman: May I ask you a question, Mr. MacDonald which I was going to ask all evening.

If, for the sake of the discussion let us for the moment concede the points that you have made that coverage is lacking. I think I agree with you but I can't speak for the Committee because that is the type of judgment we haven't yet made; but conceding that point, I think one of the key questions is why?

Mr. MacDonald: That is right.

The Chairman: Well, how would you answer that?

Mr. MacDonald: I don't know if I am qualified.

The Chairman: Mr. Williams could you say why?

Mr. Williams: I would like to say this. I think there is very little deliberate censorship of labour stories. There are instances and Mr. Potterill referred to the Eatons' story in Toronto which is an example, but I don't think that sort of thing is general.

I don't think that the owners of newspapers deliberately blue-pencil stories. I don't think they have to. People who work for newspapers, people who write the copy know the interests of the people they work for and they write their copy accordingly. I once worked for a newspaper, the owner of which was a great temperance advocate, and nobody had to spell it out but if somebody came to town and preached temperance this was good for a real good story. And you are going to get front page play.

Mr. Fortier: This doesn't say too much for the integrity of the reporter does it?

Mr. Williams: Well, perhaps it doesn't but you work for a commercial enterprise and when you work for a commercial enterprise you follow the rules of the enterprise or else you go and work somewhere else.

Senator Prowse: You may have read Dale Carnegie which any reasonable boy trying to get along would do.

Mr. Williams: That may well be, but don't forget that most of the copy is written by young people who are ambitious and ambition is a pretty overriding factor. They want to get ahead and as I say if it is a temperance speaker, you know that the story is going to get good play. If it is a hotel owner who is advocating the abolition of prohibition well, this isn't going to get very good play.

Let me point out to you that part of a reporter's ambition is to see his stories in print and he likes to get good play for his stories. It is important to him that his story gets good play and any reporter who consistently wrote stories that wound up in the waste paper basket would pretty soon get discouraged.

The Chairman: Well, Mr. Williams, as I interpret your answer, and if I am interpreting it unfairly please correct me, but you are saying that there is a conspiracy of silence on labour news because the working press in this country are inhibited because of their publishers, without any direction from their publishers.

Mr. MacDonald: They don't have to give directions.

The Chairman: Well, that is a very interesting view.

Senator Prowse: Well, to put it another way what you are saying is this, the working press have some how or other got the idea that their bosses are not interested in labour news and therefore they are not going to write on labour news which is going to end up in the trashcan?

Mr. Williams: That is right.

Senator Prowse: It is simple—if that is what you are saying?

Mr. Williams: That is right.

The Chairman: I think we will just give our reporter a two or three minute break and then we will go for a little while longer.

SHORT RECESS

The Chairman: Honourable Senators may I call the meeting back to order. In calling the meeting to order, may I say to our guests from the CLC that some of us have been in this room since 10 o'clock this morning. This is no reason to say that we don't want to stay, we do, but I do want to say there are several other matters that we want to cover and it

seems to me again that we have—and of course the Senators share the blame as I do myself—that we have tended to dwell on this one problem. We are interested in it but I think the point has been made. I am not suggesting that we shouldn't express ourselves on it again but let us be mindful of the fact that I think we have dealt with it I think rather fully.

I would hope that the Senators could perhaps for the balance of the evening make their questions more pointed, and I would hope that the people from the CLC in answering the questions—this is no criticism of the answers we have received, but I hope they would be equally pointed so that we could perhaps cover more area.

Now, there were two of our guests who have indicated to me that they wish to make a comment. I am delighted to have them make their comments but I hope they also will bear this in mind.

Mr. Norm Simon, Director, Public Relations, Canadian Union of Public Employees: I am with the Canadian Union of Public Employees and before that I was a labour reporter so I would like to just add something to what Mr. Williams has indicated earlier.

The Chairman: Fine. Who were you a labour reporter with?

Mr. Simon: With the *Toronto Telegram*.

The Chairman: Fine.

Mr. Simon: I am sorry I said that because I was going to say that Mr. Williams was a bit too kind in saying that there was no conscious or material evidence of control on labour reporters. I was the recipient of more than one memo which went something like: "Go easy on the egghead stuff and let's have some more violence." I did have stories sent back to me where there was violence involved. It was mentioned deep in the story and it was to be put up in the lead.

Really, the violence, in my opinion, had less bearing on what was going on during the particular strike ..

The Chairman: Mr. Simon, who would these memos be from. I am not asking you to name the person but...

Mr. Simon: Middle management people and perhaps to add to Mr. Williams point, often from people whose individual politics I knew to be sympathetic to labour. I suppose, this

proves Mr. Williams point that they were reacting to something they thought was higher up above them.

The Chairman: Thank you very much. There is a gentleman opposite you...

Mr. Gordon McCaffrey: Assistant Director of Legislation Department, Canadian Labour Congress: I am a former labour reporter for the *Toronto Star*. I think that the only place where we can expect to find labour reporter is in the major cities, although there are many minor centres if you consider a centre in terms of population where there might be a greater interest in reporting labour news. This would be in company towns, where most of the news that affects the people concern management and labour, but in many of these centres—and I think you know which ones they are—there is no consistent coverage of labour news.

As a reporter for the *Star*, I covered stories in centres far from Toronto which were not covered by local reporters or even by reporters in the same province. In the smaller centres, I believe that the newspaper publisher identifies with the business community and therefore if he doesn't consciously rule out labour he does it unconsciously. I think the editor, without being told, reflects the publisher's interest and covers the news which he thinks a business community wants to hear about.

I think the editors of newspapers at all levels are among the most competent people in the country but what they are trying to do in their job is present a product which will reflect the interest of the community as they see it. I think many of them have never made a survey of what their readers' interests are. They assume that most readers want a sports section of three or four pages so they cover every detail of the sporting events, while people are saying, even what they are thinking or not thinking, is covered one way or another. In a typical Canadian paper a hockey game might be covered by five different reporters in the same newspaper.

The Chairman: This would be a Stanley Cup Game?

Mr. McCaffrey: Even "What's Espinoza doing; what's Bobby Orr doing tonight?" "What didn't he do?"

The Chairman: Personally, I wish I knew

Mr. McCaffrey: Well, I think this is typical then. As far as labour coverage is concerned

labour on newspapers is not a glamorous area. Most reporters who seriously consider newspapering as a profession don't want to be a labour reporter. They are assigned to the job; they say, in effect, "Okay, I will do it but let me off as soon as you find somebody else who might be more interested."

I was on a newspaper, which is, I believe, one of the country's best newspapers, which didn't have a labour reporter on the beat for more than a few months consecutively. I was covering the beat for more than four years, longer perhaps than anybody in my memory at the *Toronto Star*.

Finally, most people who are given the job of covering labour go to a story without knowing very much about it. I would say it takes four to six months to get to know something about the labour beat so that you can deal with your story competently. I am not speaking about the headline-type story which Mr. Murray Cotterill mentioned earlier. Most reporters cover those stories fairly well. But the stories between the strikes are the ones which are not covered, and this is where the real labour story is. It affects not just the working men and working women, because as has been mentioned before it affects all of us.

The Chairman: Thank you very much, Mr. McCaffrey.

Senator Phillips:

Senator Phillips: I was going to make the suggestion, Mr. Chairman, if the Congress still feels that they are not getting sufficient labour coverage in the newspapers, that they initiate strike action and not read those newspapers not providing proper coverage of labour news.

Senator Prowse: Yes, but then they wouldn't know what they weren't saying about them.

The Chairman: I am not sure whether Senator Phillips brings forth a serious suggestion or not.

Senator Phillips: Well, there is no reason why this shouldn't be done.

The Chairman: All right, we will put the question to you.

Why don't the members stop buying newspapers?

Mr. MacDonald: We have at times.

The Chairman: I see.

Mr. MacDonald: In particular situations.

The Chairman: In strike situations?

Mr. MacDonald: Yes; and in some others, too. We have recommended to our people that they stop buying newspapers, but an individual member of the family who happens to be a member of the trade union is not the only one necessarily who buys papers. They might or might not follow our recommendation or suggestion on their own individual determination.

We are not a monolithic organization; don't possess the ability, nor do we want it, to dictate to our members.

Senator Phillips: But you have tried the idea and found it ineffective?

Mr. MacDonald: Relatively; but not in that type of situation that you envisage—in strike situations and that sort of thing where there has been sometimes a very blatant unjustified attack on us.

Senator Prowse: Mr. MacDonald, what have you done in the way of actually going yourself—or as a delegation to the newspaper publishers and saying, "Look, you have a problem here and we have a problem," and lay it out for them; have you tried that or not?

Mr. MacDonald: I have not done that at the national level personally. I have done it when I was functioning in a regional level and found that I just wasted my time, and probably contributed to the evident hostility.

The Chairman: Would it be fair to ask where that was?

Mr. MacDonald: It was in the Atlantic region. I was the regional director for the Atlantic provinces.

The Chairman: And which newspaper did you approach?

Mr. MacDonald: Oh, no, I wouldn't say that.

Senator Prowse: Your prestige today—and I am not trying to flatter you, because I have nothing to get for it...

The Chairman: You mean you would flatter him if you had something to get?

Senator Prowse: You're damned right; especially a vote! I would think that it might be an interesting experiment to see what would happen if you were to go now in your position that you hold representing the tremendous number of people that you do, and specifically go to the publishers of the two

Ottawa papers and say, "Look, this is the situation. Now, I know it is your paper but I don't have to tell you how to say it." And the worst that can happen is that you won't be any worse off than you are now.

Mr. MacDonald: I am not sure of that, senator. I am not sure of that at all.

Senator Prowse: But if you asked them...

Mr. MacDonald: I wouldn't be at all surprised in those circumstances to find an attack based on my uncouth effort to try and influence the media.

Senator Prowse: I think you could do it pretty smoothly.

The Chairman: Mr. Rupert, who appeared before the Committee the day the Guild made their representations, indicated that he would like to say something.

Mr. Robert J. Rupert: There is just a couple of matters I would like to mention briefly.

The first thing is, I think that the greatest protection any working newspaperman can enjoy from interference in his editorial judgment as to what is news and what isn't, be it labour or anything else, is the protection of a Guild contract.

I suggest that our members are in a far better position to resist this sort of interference than any other group of working newspapermen.

Secondly...

The Chairman: But the example Mr. Simon gave presumably was at a Guild paper.

Mr. Rupert: Mr. Simon was in a position to say "No" without any fear of being dismissed from his job. I am not sure that all newspapermen would be in that position.

Secondly, I don't think that the working press has a defeatist attitude; I think the working press does care. I think the professional newspaperman still has great hope that he can provide a service and is trying to do it.

And, lastly, a lot has been said to this Committee, and also in other forums, about unions' resistance in the publishing industry to technological change, but hardly anything has been said, maybe nothing has been said, about the employers' resistance to a responsible approach to technological change.

Now, I have been dealing with employers, even since the Woods Report was published, and suggested to them that they accept the

proposals that we have been making for many years, and that is simply that people be retrained; not only the employers but also the employees reap the benefits of technological advancement. And in almost every case the Guild encounters great resistance to that approach, and in fact the employers claim themselves the benefits, but they aren't willing to extend them to the employees.

I would like the Committee to consider this when they are looking at the problem of technological change in unions and management. That is all, Mr. Chairman.

The Chairman: Thank you very much, Mr. Rupert.

Senator McElman?

Senator McElman: First of all, the gentleman who referred to those in the middle management groups...

The Chairman: That was Mr. Simon.

Senator McElman: ...and the approach that took; you said something that to me was quite interesting. You said that these people were those who individually, their politics were sympathetic to labour. What did you mean by that?

Mr. Simon: Well, in several specific instances that I was thinking of when I referred to memos I had received, sir, the notes were from individuals who were active guildsmen.

Senator McElman: Well, that is not the politics, though?

Mr. Simon: Well, I meant their outlook, the politics was the wrong choice of word there. I meant their outlook on the labour-management question.

Senator McElman: I see.

Mr. Simon: The reason I made that judgment was because, in two of the cases that I was thinking of, I was talking about people who were active guildsmen.

Senator McElman: Reference has been made to the lack of coverage, I assume, during the negotiating stage leading toward a contract, or a dispute, as the case may be. How would you go about getting information to the public during the negotiation stage of any contract?

Mr. MacDonald: Well, in many, in many instances unions announce and make known

their wage policies in advance. Not only their wage policies but their entire collective bargaining policy. But we are not speaking in those narrow terms.

What is unknown—and it is the basis for part of our complaint, really—what is not known is that our unions in Canada are involved in practically every aspect of Canadian life: social, economic, political, and everything else.

Senator McElman: I think you are missing my question.

Mr. MacDonald: No, I am not, I don't think.

Senator McElman: Well, let me rephrase it so it is very clear. I believe you are heading in another direction. If you are not, fine.

We will take one specific instance of where there is a strike—bang—and there is a great splash of news about it, and the suggestion has been made that what went on prior to the strike, the conditions that were there, the attempt at negotiation, and so on, nothing happened until the strike. There was no news. Now what I am trying to get at, Mr. MacDonald, is this. How do you go about trying to get news to the public in such a situation prior to the signing of an agreement, let's say, where there is no strike, so the general public—not just the labour movement—the general public will know that the negotiations are going on and here are the things in issue, that sort of thing?

Mr. MacDonald: Most of our collective bargaining in Canada is conducted at the local level...

Senator McElman: Yes?

Mr. MacDonald: And the majority of our local unions are anxious to have this kind of information known because suddenly, out of the blue, there appears a wage demand that is resisted, and there is a strike, but that is all the public knows.

...the public knew in advance—and our unions are anxious to tell the story—knew in advance why these demands were being made, what are the conditions that led to this, what is the background, how long has it been since these people have had an increase or didn't get an increase, is it justified on the basis of productivity and profitability? In that particular enterprise, what are the working conditions that lead to demands of other sorts within the contract collective

agreement; to our members these are tremendously important things that should be known.

They are the things that lead eventually to the picture that unfortunately is all too common in Canada: a strike-happy bunch of Canadian citizens who happen to be members of unions. And that is the picture. That is the picture in this country.

The fact of the matter is...

Senator McElman: You haven't answered my question. How does your union endeavour at that point, at the negotiating point, how do they endeavour to get the picture to the people, to the media? What effort is made?

Mr. MacDonald: There are many of our unions who go very far out of their way to—in some cases I have known them to prepare the copy themselves—to get it over. Very frequently they are told, "Oh, that is not newsworthy."

At the local union level the people who are doing this on a voluntary basis only have to be told this two or three times and they won't bother any more.

On other occasions—and I think it falls within the purview of this Committee—on other occasions our unions have gone to the electronic media in an effort to buy time to tell the public. And in some cases they have succeeded in doing it, but there have been cases in Canada as well—and this we can be precise about, and we will name names...

Senator McElman: In recent times, sir?

Mr. MacDonald: Yes—in which they have been denied time.

Senator McElman: Can you give us some examples, Mr. MacDonald?

Mr. MacDonald: Yes. I would be delighted to do it.

Senator McElman: I had a note—a question on that very point.

Mr. MacDonald: Some are recent; some are not. We had a case in Schefferville, Quebec, December, 1959, where this happened. We went to the station...

The Chairman: Could you file that with us?

Mr. MacDonald: Yes. In fact, that is why it has been prepared.

The Chairman: You could perhaps just highlight that.

Mr. MacDonald: It was radio station CFKL, owned by the Iron Ore Company of Canada, which refused to sell time to our affiliate, the United Steelworkers of America. Incidentally, in several of the instances, protests were filed either by us on behalf of our affiliates or by the affiliates themselves with the Board of Broadcast Governors, and frankly we got the brush-off.

Another case was in Yorkton, Saskatchewan, 1965, again the United Steelworkers engaged in an organizing campaign which in our opinion is of public interest. They were denied time on station CKOS-TV in Yorkton, Saskatchewan. They were denied the time even though the company was sold time.

Senator McElman: The company was sold time?

Mr. MacDonald: Yes. As a matter of fact, the company in this case was sold time in order to get their story across to the public and win public support for their policies.

Sudbury, Ontario, June 1966—no, that wasn't a similar case.

Mr. Cotterill: Sudbury was a case where the television station refused to sell time the moment the negotiations started, although they had rather jubilantly sold it to the union up to that point.

Mr. MacDonald: That was in the organizing drive.

Mr. Cotterill: No, they had sold time—the conflict between two unions, if I may, Mr. Chairman—there was conflict between two unions at that time. The station sold time, if I may say, avidly, but the moment the bargaining situation became stabilized, the negotiations with International Nickel—and this is on the record of the Board of Broadcast Governors—the local television station, which has no competition except for the threat of cable, cancelled—in fact, refused to renew the contract with the union. And we pointed out at that time that this was a most dangerous result.

I am very glad that this matter of television has been raised, because in studying the mass media we must realize that many of these community television stations are the only instant method of communication available and very few of them really do very much of a community service job in this respect, or even let anybody else do it on their own time.

Senator McElman: Excuse me; did they give you any reason for cancelling?

Mr. Cotterill: They gave us no reasons at all, except that they would be perfectly happy to sell us commercials on any one of the programs they developed.

I would like to raise this point, Mr. Chairman, because to my mind it is significant in this case, simply because that program was cancelled. It is my conviction that the fact that the public, almost all of whom work for the International Nickel Company in the town, had got used to a regular program where they got authoritative information. There are 16,000 people over a 40-square-mile area in Sudbury working three shifts.

We had a wildcat strike in Sudbury at the time which almost every responsible officer of our union says was due solely and completely to the fact that it was impossible to get the news of negotiations out in a hurry to the employees at the critical point when the contract expired.

I am convinced that had that television station permitted the union, which, after all, represents 16,000 of the bread-winners of the community, to have its own program for which we were paying them, the wildcat strike would not have happened. Their contract charged us for their directorial assistance, which I might add we got damned little of—they were at liberty to direct the program so that it would be entertaining and technically proper. Nevertheless, they cancelled the program, and we are convinced that the cancellation of that program was one of the major reasons why the communications network which the people had been used to broke down, and as a result of that breakdown the wildcat strike took place.

I think they were trying very hard to impress the company. They succeeded in convincing the company a few millions of dollars were being impressed on them, which would not have been the case if the company had been able to keep communications open.

Yes, sir, we have had several examples where stations have refused to do it, and in that position has been, we are quite agreeable to let the company direct the program, but we do think that the television program should permit a report to the breadwinners during the week.

The Chairman: Mr. Cotterill, thank you, but I think, Senator McElman, Mr. MacDonald has one or two more points he would like to add.

Mr. MacDonald: There was one more, senator. This is in May, 1967, Winnipeg, Manitoba. Our affiliate, the Retail Clerks International Association, through its advertising agency, attempted to book a series of spot programs on radio station CKY and similar bookings were made in Montreal and Vancouver without any problem whatever.

These spot programs dealt in broad terms—not a controversial thing—in broad terms with the role of unions and the value of union membership. I hate to impose upon the name of the Committee, but I think it would be interesting to hear what this station had to say.

Part of that letter read:

"That the management of CKY believes broadcasting of radio copy received from your agency would violate that section of the Radio Regulations prohibiting solicitation of funds on behalf of organizations other than recognized charities. The Retail Clerks Association is a member of the Canadian Labour Congress. The Canadian Labour Congress has a check-off system whereby funds go to the New Democratic Party, a national political organization in Canada. Therefore, we believe that the solicitation of membership in the Retail Clerks International Association would violate regulations of the Board of Broadcast Governors prohibiting solicitation of funds."

Therefore, the station at great sacrifice saved the sanctity of the BBG and refused the program. We filed a protest, by the way, with the BBG on behalf of our affiliate pointing out exactly what had happened, and that it was untrue, of course.

The Canadian Labour Congress does not have a check-off system, nor does it contribute funds to the New Democratic Party. Some of our affiliates do, and, incidentally, do it with our encouragement, but that is neither here nor there.

The BBG said they advised other stations that they had no reason to object to these commercials.

Incidentally, the affiliated union did succeed in getting the series booked with another radio station within the same community, but there are but a few.

Senator McElman: You are going to file this with the Committee?

Mr. MacDonald: Yes.

Senator McElman: You have raised the matter of a liaison affiliation, or whatever it might be called, with the NDP.

Now, up to this point in our hearing we have had many representatives of owners and management groups of the various media, and we have probed them in many ways. As was pointed out earlier they have made generalizations, and we have asked them to be specific in some of them.

Additionally, we have gone further. We have asked them about their reported affiliation with big business, and we have had a variety of answers.

I remember one case where we even asked what clubs the management group in a chain were members of, and we have asked in some cases what directorships they might hold outside of their immediate interest.

And in view of the reference to the CLC-New Democratic Party association, and to put the whole thing in perspective, I don't think it would be unfair, perhaps (and I am sure it won't embarrass you), to ask the four gentlemen who are representing the Canadian Labour Congress if any of them have ever been a candidate for the New Democratic Party, and are they card-carrying members.

Mr. MacDonald: Well, I am anxious to answer first. I am a card-carrying member of the NDP. I have been the provincial leader of the CCF. I have been provincial leader of the CCF in a provincial legislature, but that has no relation whatever to this situation.

We don't ask our people—in fact, the senator has pointed out to me tonight that one of our key people happens to a member of the Liberal Party. That is their right, certainly.

Senator Phillips: I will accept your apology on his behalf.

Mr. MacDonald: He is a very good trade unionist.

The Chairman: He is a very good Liberal!

Mr. MacDonald: There are many of our members who are affiliated with the New Democratic Party, and do contribute to the New Democratic Party.

The Chairman: Senator McElman, you wish to ask each member that question?

Senator McElman: Yes.

The Chairman: Any other members care to answer that?

Mr. Williams: I am a card-carrying member of the NDP. I have never been a candidate.

Mr. Andras: I am a card-carrying member of the NDP and I have never been a candidate.

Mr. Morris: I will make it unanimous; and before that I was a card-carrying member of the CCF ever since I have been a very young boy.

The Chairman: I must say that I...

Mr. Morris: I offer no apologies. It is a political conviction of which I have a right to.

Senator McElman: Of course.

The Chairman: I was wondering why you asked the last question, but I take it you are going to tell us?

Senator McElman: Well, Mr. Chairman, I took from the last answer that there was some suggestion that I was thinking that there was something wrong with this?

Mr. Morris: No.

Senator McElman: You have the liberty to belong to whatever party you wish.

Mr. Morris: No, senator, I don't think it is an unfair question if you wish to ask it.

As far as I am concerned, I will answer it anywhere.

Senator McElman: Well, I thought you all would, and in the circumstances I felt you should.

Mr. Eady: Is it fair to say, Mr. Chairman, that none of them own any newspapers?

Mr. Morris: I have never been a candidate. I don't believe I have any intention of ever being one either.

Senator McElman: I probably should say that by the same token many of those involved in management and ownership suggested that the connection with big business, if it were valid, that they shouldn't be ashamed of it, and none of them ever claimed to be on the executive of the CLC, so I guess it shakes itself down.

Mr. Frank Chafe, Assistant Director of Legislation, Government Employees' Departments: Mr. Chairman, it might be interesting if I mention at this time that I am a card-carrying member of the NDP as well, assistant to Mr. Andras, and I might go one step further,

and say that in the past five federal election I helped to get Mr. Stanley Knowles elected and he favours the abolition of the Senate.

The Chairman: Well, some of us favour the abolition of Stanley Knowles!

Senator McElman: Do you support Stanley Knowles?

The Chairman: Senator McElman, I think we would be curious to know what your next question will be.

Senator Prowse: I may say that they might be more successful than Stanley because they are going to kill us before this evening is over.

Senator McElman: "There should be no arbitrary exclusion from access to wire services or any other type of service which made available to newspaper publishers. This is on page 11, Mr. MacDonald. And take it this is not to say there is some example of it currently?"

Mr. MacDonald: I personally don't have knowledge at the moment of anything of that nature.

Mr. Williams: I believe the senator's statement is quite correct. We are just saying that if this situation should prevail...

Senator McElman: The reason I asked that was because we have probed this very thing and we had the appropriate people before (CP, for instance), and we probed very deep on this to try and ensure that there was not such a situation.

Senator Prowse suggested a while ago, Mr. MacDonald, that you might get in touch with the publishers of the local newspapers about a discussion of coverage. Are you aware that there is an association called the Canadian Daily Newspaper Publishers Association?

Mr. MacDonald: I have heard of it.

Senator McElman: Would it ring not with you to suggest that perhaps—not just you but your executive officers—endeavour to arrange a meeting with the publishers to discuss this very thing?

Now, we have had them before us and they have many worthy aims, and I think the Committee might be interested to know what reaction you would get from them if you made such an approach to see if you could have a worthwhile discussion towards getting what you would believe would be a more

balanced type of reporting, and more coverage, that you feel that you deserve.

The present president of that association is Mr. Ralph Costello, publisher of the Telegraph, Journal, Times, Globe in Saint John, New Brunswick.

Mr. MacDonald: Well, senator, I could write a book on my difficulties with the media in Saint John, New Brunswick. I ran a number of strikes there and I was responsible for organization in your province, senator.

Senator McElman: Yes, I know that is true.

Mr. MacDonald: There is no place in this country that will stand up by comparison to the experience that we had in Saint John, New Brunswick.

Senator McElman: With the media?

Mr. MacDonald: With the media.

Senator McElman: Would you care to elaborate on that?

Mr. MacDonald: I am nearly 20 years removed from what my colleague refers to as my native habitat, but I can still recall with considerable incense—as you know some of my experiences in that city.

Senator McElman: Would you care to elaborate on your experiences with the media?

Mr. MacDonald: Yes, sure. I will just talk about two experiences. They go far back, because as I say it's nearly 20 years since I have been removed from the Maritimes.

I was responsible for two major strikes, the conflict of two major strikes, right in the heart of the City of Saint John. One, the paper plant that you might recall...

Senator McElman: I do.

Mr. MacDonald: And the other one with Irving Oil.

Senator McElman: I recall that one as well.

Mr. MacDonald: I was in Saint John, New Brunswick...

Senator McElman: Who were the owners of the veneer plant?

Mr. MacDonald: Mr. K. C. Irving, as I recall. I tried by every means available to get coverage. There was no TV at that time, and I tried by every means that was possible to get some coverage—these were important

strikes at different times, and considerable times apart, I must say—and I never had, or never did succeed.

As a matter of fact, finally, what I resorted to was printing our own handbills trying to tell factually what was going on, and distributing them free to the pedestrians on the street so we would at least get some dissemination of information in that city.

Senator McElman: You tried both the print media and radio?

Mr. MacDonald: Both the print media and radio, that's right.

Senator McElman: Who owned those, sir?

Mr. MacDonald: I don't know. I don't know, but I have my suspicions, but I can't support them.

Senator McElman: Well, I can tell you we have had evidence before the Committee that Mr. K. C. Irving owned them.

Mr. MacDonald: Well, senator, that was my suspicion. It was our experience that everything else related to labour in that city.

The Chairman: Senator McElman, do you wish to carry on with that line of questioning?

Senator McElman: Well, I would only say that I can appreciate fully that if one is turned back continually as appears to be Mr. MacDonald's experience it is a very depressing thing, but I still think it would be useful—and I say this in every constructive sense—that you do make contact with the Canadian Daily Newspaper Publishers Association and tell them you would like to discuss this very important thing; not just for the Congress but for the people, and see if you couldn't bridge this abyss that seems to lie between you.

Senator Prowse: And set it out just like you have before us tonight.

Senator McElman: Exactly. I can't speak for the Committee, but I as a member of the Committee would be deeply interested in knowing the reaction you received to your request for a meeting initially, and, secondly, knowing what the outcome of any discussions were. I don't think you should be defeatist about this.

Mr. MacDonald: Perhaps not. I will certainly, senator, as you suggest—I will explore that idea.

Senator Prowse: And let us know how it works out.

Mr. MacDonald: With a view to seeing whether we deem it worthwhile—possible, perhaps I'd better say.

The Chairman: May I make a point, and perhaps ask a couple of questions? Perhaps I should make a point first.

Mr. Simon, going back earlier to your comments—it seems to me that those are, as you know, by any standard fairly serious accusations that you have made, and I think that being the case we should probably ask you for names and copies of the memos if you have them available, or if you could make them available to us.

Mr. Simon: I can check.

The Chairman: Would you, please, because those are I think reasonably serious accusations, and they will be on the record of the Committee. Therefore, I think I should also have on the record my request for this information.

Mr. Simon: You can appreciate, though, senator, that this was three years ago.

The Chairman: Would you attempt to...

Mr. Simon: They were not formal documents, and I did save some memorabilia, and I will check.

The Chairman: Fine, thank you.

Mr. Bouchard: I was fired by my editor on March 30th, 1963, by the weekly paper in Noranda, for giving what the editor termed "biased labour coverage."

The Chairman: Well, if you could document that we would be grateful.

Mr. Bouchard: Fine.

Mr. Fortier: Can Mr. Simon give us the names?

The Chairman: Well, I have asked him to do that.

Mr. Fortier: Well, maybe he can give us the names if he doesn't have the memorandums.

Mr. Simon: Well, I can only say...

Senator Prowse: He can file that.

Mr. Fortier: Mr. Chairman, I make a formal request that Mr. Simon give us the names of

the people who sent him those memos which he alluded earlier.

The Chairman: Could you send us names, Mr. Simon, please?

Mr. Simon: I don't know what involves, because I am a novice in this process, sir.

Mr. Fortier: I think Mr. Simon should have told what the accusations which he leveled earlier this evening involved, and in front of this Committee...

The Chairman: Mr. Fortier, you are the Committee's counsel; perhaps if you would elaborate...

Mr. Fortier: Well, Mr. Simon, you asked him time to tell the Committee about some incidents which occurred to you when you were working as a newspaper reporter for the Toronto Telegram.

You said that you were prevented on a number of occasions by some of your superiors from writing articles dealing with labour matters, and in order for the Committee to assess the seriousness of your charges I think we should be given the names of those people so that we can ask them in turn whether or not they did indeed write to you in this sense.

Mr. Simon: Well, first of all, I am not sure. You said I was prevented from writing, I didn't say that.

The Chairman: No, in fairness, I don't think he said that.

Mr. Fortier: What were you told?

The Chairman: He was told to play up the violence, if I recall. "Enough of the egghead stuff," if I recall, was the actual quote.

Mr. Simon: The one that sticks in my mind is "Forget the egghead stuff and more on the violence." I remember one other memo, and I remember several conversations, but I don't know what is involved, frankly, legally—in my position I am putting others in. I am not about to disclose publicly those names.

Mr. Fortier: It seems to me, Mr. Chairman, what is involved is being fair to the people to whom Mr. Simon has alluded, on the one hand, and also to the newspaper.

The Chairman: Well, I think, Mr. Fortier, enough has been said. Mr. Simon, you can take the matter under advisement, and perhaps you can inform the Committee.

Mr. Simon: One thing I would like to know: if these people are still in the bargaining unit, because if they are not I am pretty secure.

The Chairman: All right; I accept that.

Mr. Fortier: I would suggest, Mr. Chairman—this is more than a request—I suggest that an order emanate from this Committee for Mr. Simon to submit the names of these people.

Mr. Simon: I am out of my league, quite frankly. The Committee's counsel is a lawyer and I am not aware of all the various implications of the things he says. I am without counsel and I am not on trial. I offered the incidents as an example, and I will consider it and I will deal with you, Mr. Chairman.

Quite frankly, I am out of my league, at the moment.

The Chairman: Well, Mr. Fortier, that satisfies me, I think.

Mr. Fortier: Well, Mr. Chairman, as I say, it is up to you.

Senator Phillips: Well, Mr. Chairman, if I may, I have a tendency to agree with Mr. Fortier, and perhaps for future meetings we should lay down guidelines, that if anyone makes an accusation, that they be prepared to furnish documents on it.

The Chairman: Well, in fairness, I don't think that an accusation was made. I don't think Mr. Simon said that he was prevented. I think he said that he received a directive from middle management and the directive told him to "play down the egghead stuff and play up the violence", or something of that sort. He wasn't prevented, I think.

Mr. Simon: With all fairness, it may well be that at the time the violence was more important than the egghead stuff. In fairness to the people against whom I am supposedly making accusations.

Senator Prowse: It might have been a matter of editorial judgment.

Mr. Simon: It might have been a matter of editorial judgment at the time, but the point I am making, it was to further Mr. Williams' point that this wasn't just something that people think publishers want. The word just didn't get around unspoken and unwritten. It may have been right at the time.

Senator Prowse: Well, I think there are two things here dealing with what Senator Phillips has said and what Mr. Fortier said as well as what Mr. Simon said.

Now, Mr. Simon has offered something. He told us a situation which having worked in a newspaper is something which I think happens every day. You get memos from people telling you to handle a story in a different way.

Now, in certain contexts you can draw certain conclusions from the kind of memo he got, but there is nothing unusual about this at all. He was trying to be helpful and certainly he doesn't want to get anybody into trouble.

I think if we become too formalistic in this hearing so that anybody that comes in here that wants to say something and express an opinion in a general way is going to then be subpoenaed to a point where he has to perhaps damage somebody else or give any information that hurts somebody else, it could greatly inhibit our ability to get as complete information as we might like to have.

Mr. MacDonald: His livelihood might be put in jeopardy.

Senator Prowse: Yes. If, on the other hand, somebody is abusing the privileges in here then we have at our disposal a means of taking care of that abuse. I certainly don't feel that happened tonight.

Senator McElman: I suggest that the context within which Mr. Simon made the statement indicated a rather insidious sort of thing, and attributed to media management of the newspaper in which he was involved, and I believe surely this is the approach that our counsel was taking. It was the context.

Certainly none of us are trying to push people. And we haven't done so far. We are asking for testimony but we also ask for complete information.

Senator Prowse: If he can give us the details, then the evidence is of much more value to us. If he can't give us the details, then we are left in a position of how much weight we can give to the evidence.

The Chairman: I think Senator Prowse's point is well taken, and perhaps we could leave it at that.

Mr. Simon: Well, Mr. Chairman, all I want to say in defence of the *Toronto Telegram* is that it was a fine place to work, and I may want to go back.

The Chairman: Well, the hour is getting late, but I think there is just two matters that I would like to bring up.

Mr. Eady: Well, to go back where Senator Prowse asked for a specific suggestion and there are three specific suggestions on media—not just on newspapers generally—that I think that the Committee should have a look at. I know you have already looked at it—at the trust system of ownership—and I refer you to the *London Observer* where the Astor interest vested their ownership in a trust so as to divorce the economic interests of its owners from the managerial and editorial direction of the paper.

When you ask that question I would suggest that this should be a much more common form of ownership. The second reference I would like to make is to the new development in cable television, which can be very important, and I draw the Committee's attention to two examples: the development of a co-operative system of ownership of cable television in Windsor, Ontario, and to municipal ownership in Harrison Hot Springs of renowned fame.

I think that these are areas where the problems that have been raised by the brief of the Congress on the question of ownership could be tackled. Public trusts, co-operatives, and municipal ownership as a means of stopping direct impact by industrial or economic groups of any kind on the media so that in answer to the senator's question I think these are three areas that you might investigate.

The Chairman: Thank you, Mr. Eady. It is very useful to have that on the record. Thank you.

I have two questions only. They both relate to the electronic media. You say at page 22:

"If ever the Americanization of Canada has been a problem, the private broadcasters have been the chief agents for its enhancement."

Then you go on to say in Section 59 the following:

"The tendency on the part of broadcasters, particularly in private broadcasting, has been to assume and to cater to what is commonly known as the lowest common denominator of taste and intelligence."

In effect, giving the public what it wants.

Now, I think it is obvious from the rating studies which we have seen, and I am with

which you are familiar, that in private broadcasting—let's talk about radio for a moment—that the private stations do enjoy (and I think this is the point that you are making) a wide audience margin over the CBC.

Would it not be fair to say that as rank-and-file members of the Congress and your affiliates, they are, after all, a pretty effective cross-section of the general public? I think that is the point that Mr. Cotterill was making earlier, and would it not therefore be true to say that your own membership contributes substantially to this very popularity. In other words, it is a general audience, surely, and does this not concern you?

Mr. MacDonald: Well, we naturally think that there should be efforts made to elevate the standards of the whole, and our people well.

The Chairman: Do you attempt to elevate standards of your people?

Mr. MacDonald: We think so.

The Chairman: With success, Mr. MacDonald?

Mr. MacDonald: Well, I suppose that again is a matter of judgment. We think that we have.

The Chairman: Again, you make an obvious reference on page 22, Section 55—regarding the CRTC—You say:

"We are also pleased that the Commission has decided to restrict the further invasion of foreign programmes for cablevision purposes."

That is the opinion of the Congress.

Do you suppose that opinion would be joined by the members of the Congress in the Sudbury area?

Senator Prowse: Well, let us add Calgary and Edmonton.

The Chairman: Yes, but I was thinking of the Sudbury area, but that's fine.

Mr. MacDonald: Well, frankly, I don't know. I think on an overall basis, yes. As to whether in those particular areas I frankly couldn't be certain.

Since we took our official position on this matter, naturally our position was distributed throughout our entire membership throughout our entire structure; we have received commendation, a great deal of

from our membership, and I must say that so we have received some criticism as well. There has been some.

Within the past several days I received one from one of those areas, but so far what we have received by way of support in commendation certainly vastly outweighs any criticism that we have received.

There is I think a growing sense of national interest in this country and it is very much reflected in our membership. I don't think that anybody should underestimate that. Sometimes it takes different forms, and sometimes forms that we ourselves perhaps are not entirely happy about.

The Chairman: Well, I said I had another question about the electronic media, and perhaps you follows right here.

Oh, Mr. Cotterill, do you want to speak on Sudbury?

Mr. Cotterill: Yes. I was going to say, sir, that I think that the question cannot be answered in any accurate way. The problem basically in Sudbury is that our members would love to have any competition whatsoever from the monopoly situation which applies.

I think if you were to ask them they would prefer to have Canadian competition, but if you say "The only competition you can have is going to be an American station via cable" their answer would probably be, "Let's have some competition," because every time they even threaten competition the local television station just does something more.

One of your problems here, if I may say so, is that you are comparing apples and oranges, and when we are dealing with the electronic media we are talking about something which is both an entertainment media and a news media.

If you ask about entertainment, I suspect that many Canadians don't really care what country their entertainment programs come from as long as it's good.

The Chairman: Yes, but you have answered your own question by saying it is both. I agree with you.

The other question I wanted to ask, the last question I have, but I think Mr. Fortier has one, but we will not detain you too much longer is this. It seems to me that the Congress has an ambivalent position when it comes to the CBC. As I read this brief, one minute you are knocking the CBC and the next minute you are praising the CBC.

Mr. Williams and I were talking earlier about a speech I was fortunate enough to make to the Farmer-Labour-Teacher Conference back in June, and in the question period the CBC was flayed, including by you, Mr. MacDonald.

I would like to ask you about this rather—it seems to me—strange attitude you have towards the Corporation.

Mr. MacDonald: We have a basic policy, Mr. Chairman, which is in support of the CBC as a Canadian agency designed for the purpose of contributing to Canadian unity, and we support it on that basis.

Our support is not a blind one. There are many things that happen within the CBC from time to time that we criticize. That is our right. We just don't have to give slavish devotion to the CBC and all its operations and all its programs and everything that goes on in there. As a result or a consequence of our basic policy we cherish the CBC as an institution. We would fight for the retention of it, as we have tried to do from time to time.

The Chairman: Do you exonerate the CBC from this charge of skimpy or distorted news coverage?

Mr. MacDonald: Quite the contrary. Quite the contrary. We have complained over and over and over again to the CBC, and the person to whom we have been most recently complaining is the president of the CBC and his vice-president.

Incidentally, at least there they listen to us and we get some sympathetic reaction, but we go—and I don't want to impose unduly on the time of the Committee—we have criticized the CBC on many occasions.

As a matter of fact, I did it again tonight on the CBC. I don't know if it will appear or not. As a matter of fact, this is one of the criticisms that I voiced to the CBC. I should say this perhaps by way of illustration of what I am talking about.

We have indicated that we think that we are a fairly important and responsible institution within Canadian life, and represent a goodly number of Canadian citizens, and we had complained about the fact that the CBC has ignored us in many instances when we had—at least we think we had—something important to say in connection with developments within Canadian life.

The particular thing I was thinking of was because the president of the CBC had challenged me to give an illustration within a matter of days after I had made my complaint to him regarding the budget that was brought down—it affected the lives and welfare of every Canadian citizen, and certainly of our membership.

The day before that budget was brought down the Canadian Manufacturers Association, which is not exactly the same as the Canadian Labour Congress, was on the CBC with a long statement of what it anticipated and what it desired as far as the budget was concerned in relation to its policy.

I have no quarrel with that. I have no quarrel with them whatsoever. They are a representative group and I think they have their rights to express their views. But we didn't have that opportunity.

Nevertheless, the budget was brought down and the CBC (radio and television) came to me and asked me for a statement. And, as on many other occasions, at considerable inconvenience I give interviews on both the CTV and the CBC only to find that the Canadian Labour Congress' position on the matter was not carried, but the Canadian Manufacturers Association and some other employers' organizations were once again carried.

The Chairman: Did you return to Mr. Davidson?

Mr. MacDonald: Oh, I wrote him. I immediately wrote him.

The Chairman: What did he say?

Mr. MacDonald: He admitted that this had happened and that there was always technical reasons, of course, that are advanced by the CBC, and one thing and another, but the thing annoys us and we don't hesitate to let them know about it.

The Chairman: But notwithstanding this fact, would you classify yourself as a friend of public broadcasting?

Mr. MacDonald: Yes. Very, very definitely.

Mr. Fortier: Mr. MacDonald, you and your colleagues have sought to make the point that you were unfairly treated by the mass media. You as a labour organization were unfairly treated by the mass media in Canada.

Is it your view also that the mass media in Canada are not discharging their public responsibility or their responsibility to the public in other respects also in other areas?

Mr. MacDonald: I don't know. I would have to give that one a great deal more thought. I think that that is right, and I know, naturally, that you being counsel would follow up with a supplementary question, so I think this is a position that...

Mr. Fortier: Well, I am not trying to pull any surprise questions on you, but I wondered only in your written as well as verbal presentation today you took into consideration the behaviour of newspapers, radio and television in their treatment of other areas of interest to Canadians.

Mr. MacDonald: Well, right in our brief, as you no doubt know—almost our first complaint was about the quality, and naturally this is analogous to saying they are falling down not only as far as labour is concerned but in general, because the criteria and quality is not determined merely by their treatment of labour matters.

Mr. Fortier: I wondered if you were concentrating exclusively on labour matters.

Mr. MacDonald: No.

Mr. Fortier: You also had in mind other areas?

Mr. MacDonald: Yes.

Mr. Fortier: Would it be fair to ask what those other areas would be?

Mr. MacDonald: Well, I told you that you would ask that supplementary question but happen unfortunately to have been associated with lawyers a great deal during my life...

The Chairman: You said "unfortunately"?

Mr. MacDonald: Yes, that's what I said. anticipated, and you assured me there was going to be a supplementary question.

Mr. Fortier: I didn't know what your answer was going to be. I thought your answer was going to be that you wrote on as the president of the CLC but I see that you wrote—you are wearing many hats; is that correct?

Mr. MacDonald: That's right; because we have an interest in all aspects of Canadian life. Our interest is not narrow and this is one of our basic complaints.

I tried to voice it earlier on but I got sidetracked. Our organization, and all its component parts and its people participate in every aspect of Canadian life, and publicity as such or the use of the media, or the way the media

reflects this, shouldn't, naturally, be confined to the collective bargaining process.

We have interests and activities in every phase. There is hardly one aspect of Canadian life that could be mentioned—economic, social, political, cultural—in which we are not deeply involved.

Mr. Fortier: Are you saying that by and large Canadians are not getting from their newspapers, radio and television the news that they should get?

Mr. MacDonald: That's right.

Mr. Fortier: All the news that they should receive?

Mr. MacDonald: That's right. Again, in here we have pointed this up, and we have recognized, as no doubt you noted in here, that we are realistic enough to know that this has to be a matter of editorial judgment. We have made that point, or at least we have tried to make it, emphatically here. But certainly that is true.

There is no medium today that can, even if it so desires, disseminate all the news and all the information that is immediately available to it.

Mr. Fortier: Well, you are saying that the editor of a newspaper has to pick and choose?

Mr. MacDonald: Sure.

Mr. Fortier: Are you saying that the editors of Canadian newspapers are not picking and choosing as they should?

Mr. MacDonald: In some cases, yes, in our view.

Mr. Fortier: As Mr. Andras corrected me earlier, and I apologize to him for my oversight, but in paragraph 25 of your written presentation you say that you would like to see the ownership of mass media segregated from the ownership of other forms of capital. You go so far as to say, or to suggest, that this should be done through appropriate legislative measures.

My question—and this is my last question—is, within the mass media have you any views as to whether within any given region, newspapers should be owned by the same people who own the electronic media?

Mr. MacDonald: Oh, I am sorry; I must apologize. I thought you prefaced your state-

ment by saying you were directing your question to Mr. Andras.

Mr. Fortier: Well, I apologize, but I will direct my question to Mr. Andras then. I discussed it with him during the adjournment, and I would like to have his views on the record.

Mr. Andras: We are concerned, Mr. Fortier, as we say in our brief, about the possibility of a monopoly over the dissemination of news or information, or whatever.

We would consider it against public policy that a radio station, for example, or a TV station, in the community should be owned simultaneously by the owner of the local newspaper, if, as so often is the case, there is a single newspaper in the community.

We are afraid of the implications of monopoly of control over communications.

Mr. Fortier: And you suggest that this be dealt with by legislation?

Mr. Andras: We believe that it could be dealt with to avoid the beneficial ownership of various forms ostensibly competing but not necessarily competing forms of communication by the same owner or group of owners.

Mr. Fortier: Thank you.

The Chairman: Well, senators, on your behalf, and on behalf of the Committee, I would like to thank the representatives from the Canadian Labour Congress.

I would say to you, Mr. MacDonald, that I honestly believe the fact that you have been asked here this evening is a demonstration of the fact that the Committee is in fact interested in your views, and that is why we wanted them.

I would say to you that I hope you might, in the weeks which follow and for the balance of our hearing, follow the proceedings in the daily press, and, I think this is terribly important, read the transcript which gives, I think, a fuller picture.

The point I did want to make is that it may be that the Congress may wish to submit a further brief. I am afraid it would have to be a written brief because we are working to a tight schedule. But if you have additional information or further thoughts as our hearings proceed, we would be delighted to receive it.

Thank you very much for coming.

The Committee adjourned.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

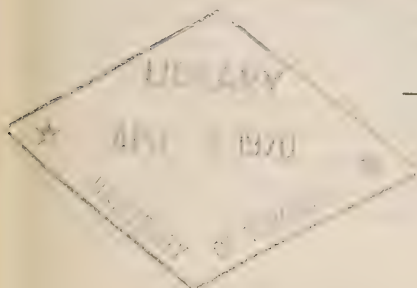
OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*



No. 12

FRIDAY, JANUARY 23, 1970

WITNESSES:

The Halifax Herald Limited: Mr. G. W. Dennis, President; Mr. Harold Shea, Senior Member of the News Department; Mr. L. F. Daley, Vice-President and Solicitor; Mr. Frederick Mounce, General Manager.

1969-70

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien

Bélisle

Bourque

Davey

Everett

Hays

Langlois

Macdonald (*Cape Breton*)

McElman

Petten

Phillips (*Prince*)

Prowse

Smith

Sparrow

Willis

(15 members)

Quorum 5

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beau-bien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday,
December 18th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

FRIDAY, January 23, 1970.

(12)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 11.30 a.m.

Present: The Honourable Senators: Davey, *Chairman*; McElman, Petten, Phillips (*Prince*), Prowse and Sparrow. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing The Halifax Herald Limited, were heard:

Mr. G. W. Dennis, President;

Mr. Harold Shea, Senior Member of the News Department;

Mr. L. F. Daley, Vice-President and Solicitor;

Mr. Frederick Mounce, General Manager.

At 2.10 p.m. the Committee adjourned to Tuesday, January 27, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard,
Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA EVIDENCE

Ottawa, Friday, January 23, 1970

The Special Senate Committee on Mass Media met this day at 11:30 a.m.

Senator Keith Davey (*Chairman*) in the Chair.

The Chairman: Honourable Senators, this morning we are receiving a brief from the Halifax Herald Limited, the publishers of the *"Chronicle-Herald"* and the *"Mail-Star"*.

Sitting on my immediate right is Mr. G. W. Dennis the President, and on his right is Mr. F. Daley, Q.C., Vice-President and solicitor.

Sitting on my immediate left is Mr. Harold Hea a senior member of the news department and on his immediate left is Mr. Frederick Mounsee who is the General Manager.

Mr. Dennis, the brief we requested was received number of weeks in advance. It has been circulated and read and presumably studied by the Senators and if you wish you may take some time now, sir, perhaps 10, 12 or 15 minutes to explain, amplify or add to your brief or in fact say anything else which may be on your mind and then following that the Senators will question you on the contents of your brief and on your oral comments and perhaps on some other matters as well.

Mr. G. W. Dennis (President and Publisher of the Chronicle-Herald and Mail-Star): Mr. Chairman, Honourable Senators. Our appearance before your committee today affords us an opportunity for a few oral remarks. To begin with our newspapers have been operating for almost a century by Nova Scotians. The *"Chronicle-Herald"* and *"the Mail-Star"* are not part of a chain or were the their predecessor companies in the past.

At no time since before the nineteen hundred has the ownership of these newspapers been held by anyone other than Nova Scotians.

As a matter of fact, this company has been owned by members of my family for three

generations. We trust they will continue to be the property of Nova Scotians for many years to come. We have strived to make our newspapers the best in Atlantic Canada.

We have grown up with Nova Scotia, we believe we have won a mandate to continue our job because the people of our province on the whole trust our judgment. They respect our human manner in dealing with people, admire our independence and responsibility and rely on our ability and willingness to speak out on their behalf when the need arises.

We believe that our assignment is to serve the people of Nova Scotia whose needs and aspirations we think we understand. From our point of view local ownership is preferable to non-provincial ownership providing service with reasoned judgment and firm dedication is never a simple task for anyone, but it is the less difficult because our newspapers are part of the traditions of the province in which we live. While we favour independent ownership as the better way, we are sympathetic to the problems faced by many publishers who have fallen victims to the crushing burden of rising operational costs.

Some of them have been driven to the decision to advocate their roles in society by ceasing to publish. Others have found it possible to continue publication by turning to the protective umbrella of the chain or the conglomerates who possess great financial and technical resources. This trend to group ownership of dailies or weeklies will continue in Canada as long as there are laws on our statute books—the estate tax is a case in point—which raise difficult and at times almost insurmountable barriers to private ownership.

We do not feel that there should be legislation to prohibit the growth of chain ownership but we feel that there is a need for an economic climate to permit a newspaper or any other type of business for that matter to remain independent if it so chooses.

There is an urgent need, we believe, where parliamentary examination of laws relating to business ownership in all fields. This is to ensure that companies are protected against the threat of being legislated out of business and forced by tax laws to give up local control.

While we are dedicated to the cause of Nova Scotia, we are also strong supporters of federalism in the Canadian nation. We maintain this viewpoint has long formed one of the corner-stones of our editorial policy, that Canada is only as strong as all her component parts. For that reason we have long been advocates of the proposition that ways and means must be found to bring about greater equality among all the regions of this country.

Sometimes we editorialize in favour of the economic climate conducive to strong industrial development. We may seek more equitable freight rates to enable our goods to have easier access to the market place of Central Canada or we may call for transportation and tariff policies designed to encourage a lower price for so many of the commodities we must import.

In each case, we are speaking on behalf of our fellow Nova Scotians.

In general, we strive for objectivity and fairness at all times. That, Honourable Senators, and Mr. Chairman, concludes my opening remarks with the exception of one thing.

In our written brief there was a line left out—transposed on page 6. On page 6 in the last paragraph where it says—I will begin with the second sentence.

"Bias and prejudice on the part of reporters have no place in the news columns. Reporters are reporters of society, not its judges."

These two sentences should read as follows:

"Bias and prejudice on the part of reporters of our newspapers are not permitted. Our staff acts as reporters of society, not its judges."

The Chairman: Would you like to read that again, please?

Mr. Dennis:

"Bias and prejudice on the part of reporters of our newspapers is not permitted. Our staff acts as reporters of society, not its judges."

Senator Prowse: In other words, for reporters you substitute there "our staff"?

Mr. Dennis: Yes.

The Chairman: Acts as reporters of society, not its judges.

Mr. Dennis: That's right.

The Chairman: Thank you very much, Mr. Dennis. I think that the questions will be put to you but if you wish to farm them out to one of your colleagues, please feel free to do so. If there is anything that we ask which you feel is of a confidential nature and prefer answer it in camera by all means please indicate that.

Senator Prowse: First of all, you talk of newspapers. You have two?

Mr. Dennis: No, a morning and evening edition of the same paper.

Senator Prowse: But with a different name?

Mr. Dennis: But with a different name.

Senator Prowse: What is your circulation?

Mr. Dennis: Our circulation is around 120,000.

Senator Prowse: That is the combined circulation?

Mr. Dennis: Morning and evening, yes.

Senator Prowse: Now, you cover more than just the City of Halifax?

Mr. Dennis: I would say . . .

Senator Prowse: Can you give us an idea?

Mr. Dennis: Well, let me put it to you this way, Senators. We publish a morning paper and its circulation is roughly in the vicinity of 65 to 70,000. Our paper we have endeavoured, and to the best of our ability we try to maintain it but we do have a tight schedule but we would like to get the morning paper into Yarmouth 250 miles to the south of Halifax at eight o'clock.

The Chairman: That is something the *Gloucester and Mail* can't do here in Ottawa!

Senator Prowse: That is eight o'clock in the morning?

Mr. Dennis: Eight o'clock in the morning. We are a morning newspaper, sir. 250 miles down in Yarmouth and to the Annapolis Valley as well. All of them down the south

more for the same distance practically and we also drive northeast 300 miles to Sydney, the industrial heart of Cape Breton. This is 100 miles from Halifax and we try to get there by eight o'clock in the morning.

Senator Prowse: What do you use, trucks or buses?

Mr. Dennis: Trucks. We sublet it out to contractors.

Senator Prowse: Who deliver it to the areas?

Mr. Dennis: Yes.

Senator Prowse: Now, when it gets to where it is going is it delivered by delivery boys or by the post office?

Mr. Dennis: In incorporated towns, Senator, in most of the incorporated towns there are carrier boys to deliver and dealers.

The Chairman: Just one question. When is that paper printed, that is in Yarmouth at eight o'clock in the morning, when is it printed?

Mr. Dennis: I will let Mr. Shea answer that.

Mr. Harold Shea (Senior Member of The Laws Department): Our paper concludes its press run normally by 1.30 a.m.

Senator Prowse: And that is for your rural delivery?

Mr. Shea: That's right.

Senator Prowse: So your morning paper is for your rural delivery generally?

Mr. Shea: Yes, there is a large circulation in Halifax, about 17 or 18 thousand papers morning papers sold within the City of Halifax. The times I gave you were incorrect, sir. We start about 12.30 and we finish the run at four a.m.

Senator Prowse: It is on your press run?

Mr. Shea: Yes, sir.

Mr. Dennis: We also go 150 miles west from Halifax to Truro and up to Amherst and Skville, New Brunswick, sir, every day. We do this every day for the morning delivery of our paper.

Senator Prowse: So, in effect you have a provincial paper?

Mr. Dennis: We have a provincial paper, sir.

Senator Prowse: Does that apply to both of them or do you integrate—well, what I have in mind is this. You produce two papers a day?

Mr. Dennis: A morning and an evening, sir.

Senator Prowse: To what extent to the areas of service of those papers overlap on the same day. For example, if I lived in Halifax, I could take a morning paper or I could take an evening paper presumably and get precisely the same news. I might get the afternoon news tomorrow morning or the morning news in the afternoon but...

Mr. Dennis: Senator Prowse, we have endeavoured and are endeavouring all the time to strive to keep the papers as distinct as possible. If there is an important news story in the "Herald" and if there is nothing new on the subject and it is important enough we carry it into the Mail. We may do more research or reporting or scurry around and dig up more important points of view to enlarge upon it; it all depends. The "Mail" is more distinctively a Halifax paper or local paper.

Senator Prowse: That is the afternoon paper?

Mr. Dennis: That is the afternoon paper Senator.

Senator Prowse: The "Chronicle-Herald" is the morning paper and that is the one which really is the provincial paper?

Mr. Dennis: The provincial paper, sir.

Senator Prowse: The afternoon paper, the "Mail-Star", this is really the local Halifax paper?

Mr. Dennis: That's right.

Senator Prowse: That is the one where they take it in the afternoon so they can read it in the evening?

Mr. Dennis: That's right.

Senator Prowse: Do you have separate staffs for these two papers?

Mr. Dennis: Yes. We have a separate composing room, night staff in our composing room; we have separate staffs.

Senator Prowse: Well, you use the same mechanical facilities for both papers?

Mr. Dennis: The same facilities, sir. We have a separate night side in our press room and a night side in our editorial reporting and day side in our reporting.

Senator Prowse: Now, do the same editorials appear in the both newspapers?

Mr. Dennis: No, I would say that the odd one might appear if it is important enough but we try our best to keep them distinctive.

Senator Prowse: In other words, you have separate editorial staff for both newspapers? Well, just let me make this clear. I am trying to get a picture. I was brought up in an area and actually worked in a newspaper where we had a morning edition which came out at 10.30 and we did various replates during the day where the final would probably go to press around two o'clock in the afternoon with a press run spread over the day so that we could meet rural deliveries through the day, so that when you talk about the morning edition of the paper, this was a certain carryover from the day before. Like for example, sport news that was written that night in particular and certain advertising was carried for the whole day and editorials. You wouldn't have a separate editorial in the different editions during the day. They would change day by day. I am talking about what used to be page three but what is it in your paper?

Mr. Dennis: Page 6.

Senator Prowse: It is pretty well standard now isn't it?

Mr. Dennis: Yes.

Senator Prowse: Now, do you have an "opposite-the-editorial page" as well?

Mr. Dennis: Page 7, Senator, six days a week, sir, and on Saturday afternoon in the "Mail".

Senator Prowse: You have a Sunday paper as well?

Mr. Dennis: No, sir.

Senator Prowse: You just run the six days?

Mr. Dennis: That's right, sir.

Senator Prowse: Being good Presbyterians I take it you don't print papers or don't do anything on Sunday?

Mr. Dennis: No, sir, I will tell you. I went over to the United Church but I am leaving to go to the Board of Governors of a Baptist University, sir. It is a good mixture, isn't it?

Senator Prowse: I asked the question because my mother was a Presbyterian from Halifax. We couldn't even whistle on Sunday.

Mr. Dennis: We started out that way, sir.

Senator Phillips: You still can't whistle on any day of the week!

Senator Prowse: Well, mother doesn't whistle but the rest of us do.

Now, with your two papers, then, do you have an opinion page? I am interested in your opinion pages.

Mr. Dennis: Yes, sir.

Senator Prowse: And particularly the opinion of the paper, the editorial page. Now, you have two separate editorial boards for these papers or do the same editorial write for these papers. In other words if I picked up your morning paper and read the editorial—if I got into Halifax say at eight o'clock in the morning and grabbed a paper and then I bought one at six o'clock at night would I be reading the same editorials?

Mr. Dennis: No, sir.

Senator Prowse: They are written by different people?

Mr. Dennis: Yes.

Senator Prowse: Do you make any effort to ensure that these two editorial boards have different background outlook or who has the final say, how do you decide what attitude you are going to take here?

Mr. Dennis: Well, as publisher, I sit every morning on the editorial conference and see each department head every morning.

Senator Prowse: So for both papers you sit in the morning?

Mr. Dennis: We have head editorial meetings at a quarter after nine in the morning and we sit down and discuss the editorials that we are going to have and if they have ideas I will hear them and if I have ideas they will hear me and if I am wrong I will listen to them and if they are wrong they will listen to me.

Senator Prowse: Who wins mostly?

Mr. Dennis: Well, sir, common sense wins.

Senator Prowse: But who decides what common sense is?

Mr. Dennis: In the final analysis, sir, the responsibility is mine.

Senator Prowse: This is the point I was getting at. In other words, as the publisher you have the final say.

Mr. Dennis: That's right, sir.

Senator Prowse: In other words the people know that you own the paper and if they don't like what is in the paper they know how to be mad at?

Mr. Dennis: That's right, sir. They can also write letters to the editor.

Senator Prowse: Dealing with letters to the editor, do you publish all the letters you receive?

Mr. Dennis: I would say that—well, Mr. Shea, you are more familiar with this.

Mr. Shea: We publish as space will allow, sir. There was a time some years back when the letter volume was so great that we had to print extra space next to the editorial page for additional letters to the editor. But those things occur when there are times of major crisis on the national or international level.

Senator Prowse: Could you specify one or two of them?

Mr. Shea: Well, the flag debate for example.

Senator Prowse: That is what I thought.

Mr. Shea: We were simply flooded on that issue.

Senator Phillips: I beg your pardon?

The Chairman: The flag debate.

Mr. Shea: Yes, the flag debate and we receive plenty of letters for example on the Canadian Football League.

The Chairman: Do you, that is very interesting. What do they write about the Canadian Football League in Halifax?

Mr. Shea: They would like to have a team in Halifax.

The Chairman: Some people are in favour of that.

Mr. Shea: We haven't been able to graduate many football players. But, to get back, sir, we publish most of our letters, practically all of them. Those that are offensive or maybe considered libelous and that sort of thing we don't publish.

Senator Prowse: What do you mean offensive?

Mr. Shea: Personally vindictive without a real cause, sir. If somebody writes a letter to say that the grocery man on the corner is a fink for example, we wouldn't necessarily publish that because that is a private argument but by-and-large we publish most of our letters.

Senator McElman: What if he is a fink?

Mr. Shea: That would be a matter of personal judgment.

Senator Prowse: This is when you talk to Mr. Daley?

Mr. Shea: This is correct.

Senator Prowse: To find out whether it has good legal grounds?

Mr. Shea: Yes, indeed.

Senator Prowse: You will understand that a lot of the questions that you are being asked here is because your opinion should be on the record, not mine, so you being given a chance to answer here.

Mr. Shea: Yes.

Senator Prowse: You have said that it is clearly understood in the area that you are responsible

Mr. Dennis: That is right, sir.

Senator Prowse: How long have you had the terrible responsibility of being the sole purveyor of the printed word to Nova Scotia?

Mr. Dennis: Well, first of all, sir, we are not the sole purveyor of the printed word, sir, in Nova Scotia. There is the "Sydney Post Record" in Cape Breton with a circulation of 25,000 which covers Cape Breton very, very well.

There is the "New Glasgow Daily News" which operates in Pictou County and up and down the Northumberland Straits and Hawkesbury.

There is the "Amherst Daily News" in Amherst.

Senator Prowse: Now, where is that?

Mr. Dennis: That is on the border between Nova Scotia and New Brunswick.

Senator Prowse: Down towards the south as well?

Mr. Dennis: No, it is right at the top. Right between Nova Scotia and New Brunswick. Sydney is in the north.

Senator Prowse: Yes, I know Sydney.

The Chairman: Well, we are not interested in a discussion of the map of Nova Scotia...

Senator Prowse: Well, I am, Mr. Chairman, with all respect I have asked the question and I will have an answer.

The Chairman: Well, all right, Senator. Your fourth paper then, please?

Mr. Dennis: Our fourth paper is the "Truro Daily News" in Colchester County.

The Chairman: I think Senator Prowse will be annoyed with me if I ask you to describe where Truro is so...

Mr. Dennis: Truro is about halfway—that is roughly speaking—about halfway between Halifax and Amherst.

Senator Prowse: But generally you have the big paper?

Mr. Dennis: We have the big morning paper in Nova Scotia, sir.

Senator Prowse: And, there is impingements from these other smaller papers in their local areas. There is an impingement in circulation?

Mr. Dennis: That is right, sir.

Senator Prowse: But in Halifax itself you have the terrible responsibility of being the sole purveyor of the printed word is that correct, on a daily basis?

Mr. Dennis: Yes.

Senator Prowse: Now, what provision do you take in order to ensure a wide diversity of opinion for the public to consider and of fact?

Mr. Shea: Well, Senator Prowse, if I may ask you to rephrase the question. Are you

asking what methods we use to cover news independently and fairly, is that the point you are making?

Senator Prowse: Well, perhaps if I can put it this way. It has been said that the duty of a newspaper is to provide a diverse expression of opinion and as diverse an interpretation of fact as possible. How do you achieve that? In other words how do you make sure there is two sides to every question, how do you make sure that your readers have access to both sides?

Mr. Shea: There is a standing rule of course in the newspaper, as there is in practically all the newspapers, that the reporters' news have no fixed opinion on a story. The function is to report both sides adequately and fairly in the news columns. The editorial position is a little different.

We may take a viewpoint on one side the other but never without consideration. In fact we did take an opinion that was different from others, the comments of our letters to the editor are open to those who wish to dissent and at the same time anybody who cares to write can do so.

In fact, we solicit contrary opinions to our own. These are published in the page immediately next to the editorial page. Does that answer your question?

Senator Prowse: Well, I want to know that. The editorials that appear in the morning and the evening paper are not written by the same people and don't cover the same subject. Am I correct?

Mr. Shea: Yes, this is correct, sir. Perhaps I had better put it this way. On the editorial staff itself, we have people who are assigned specifically to the *Chronicle-Herald* to write editorials. There are people who are assigned specifically to the *Mail-Star* to write editorials and there are additions who may be asked to write for either paper.

Senator Prowse: And is it a common practise or uncommon practise for the *Chronicle-Herald* to carry an editorial saying something ought to be done about the slow development of the heavy water plant and the *Mail-Star* to carry an editorial saying we have to be patient with the new kind of technical development. This is an example but do you have this type of thing?

Mr. Shea: I think it would be unusual for the editorials to differ with each other, although it is not inconceivable that they might.

Senator Prowse: Do they ever?

Mr. Shea: I can't honestly recall an incident.

Mr. Dennis: I couldn't cite an example right offhand, sir, but I think I can recall in the last 20 years or so, or even as far as my mind goes back, that we have had occasions when there have been issues.

Senator Prowse: Expressions of both sides?

Mr. Dennis: Yes.

The Chairman: On major issues?

Mr. L. F. Daley (Vice-President and Solicitor): I wouldn't think so.

Senator Prowse: The final thing is that Mr. Dennis, you are the man that carries the ball and everybody knows it?

Mr. Dennis: Yes.

Senator Prowse: And it is really your opinion that they are really?

Mr. Dennis: Yes, it is my responsibility. No, I wouldn't say that, it is the considered opinion of our editorials.

Senator Prowse: Well, let us say it is your opinion as it may be modified by the expressions of the people you depend on?

Mr. Dennis: The wise publisher does that, I, I would think.

Senator Prowse: You haven't on occasion in the morning paper, for example, let's say at a municipal election support one set of candidates and the afternoon edition—the *Star*—support a different one?

Mr. Dennis: Not to my knowledge.

Senator Prowse: Do you support sets of candidates? Let's talk about the mayoralty of Halifax. Do you support, or does the paper have an opinion?

Mr. Dennis: Senator, I think that I could say that we would give each equal prominence. I think we would give equal prominence to all candidates running for office.

Senator Prowse: Well, we are talking now I think about news?

Mr. Dennis: May I say, sir, if instead of personalities, there was an issue, a real issue, something of terrific importance, I think that we would come out and say that this is a good idea.

Senator Prowse: Well, let's not talk about what we might do, but specifically.

The Chairman: I think I can help you. For example in Toronto each of the three papers specifically recommend a man for the mayoralty. Do your papers do that?

Mr. Daley: I don't think we do.

Mr. Dennis: No.

Senator Prowse: Why not?

The Chairman: Or in any other way?

Mr. Daley: No, I think the statements issued by the candidates which are carried as news items speak for themselves.

The Chairman: I didn't mean that as an embarrassing question, but you don't specifically recommend a candidate which I believe is Senator Prowse's question?

Mr. Dennis: No.

Mr. Daley: No, we don't.

Senator Prowse: You are Mr....

Mr. Daley: Mr. Daley.

Senator Prowse: You are the solicitor?

Mr. Daley: And vice-president.

Senator Prowse: And you sit on the editorial board?

Mr. Daley: Well, I sit in on some of the editorial conferences.

Senator Prowse: So, you are speaking now not as their solicitor but as a person who has an interest in the paper?

Mr. Daley: Yes.

Senator Prowse: You don't support candidates with the paper yourself? The paper doesn't take a stand that way?

Mr. Daley: No, we wouldn't select Mr. Smith as against Mr. Jones by name necessarily. We might support Mr. Smith...

Senator Prowse: Maybe we should take Mr. Brown and Mr. Jones here.

Mr. Daley: All right.

Senator Prowse: You wouldn't take a name and you don't say that the paper supports so and so and it is the paper's opinion? Why not?

Mr. Daley: Well, I think we are perhaps generalizing here. I am making this as a general proposition and I wouldn't say that we have never done so. In the case of a provincial election for example...

The Chairman: Well, just for a moment, Senator Prowse is asking about municipal election.

Senator Prowse: I did it deliberately because everybody in this room represents a political party and if we are talking about municipalities we can get the principle without having it confused with some other things. I would think that actually living in Halifax, for mayor and council they have a much more serious impingement on your immediate pocketbook than your federal members for example.

Mr. Shea: Well, we have had certain editorials in which we have been critical of our present mayor and we have had editorials in which we have been critical of a certain alderman and also applauded a particular alderman.

Senator Prowse: Well, you have in Halifax and Dartmouth a very large negro population I believe and in your province generally.

Mr. Dennis: Yes.

Senator Prowse: Have you carried any articles about the depressed position that they seem to be in?

Mr. Dennis: A great many. May I read this, Senator?

Senator Prowse: By all means.

Mr. Dennis:

"Minority groups and human rights. Our record of campaigning for the equality of the rights of man is of course favourably known. Our reporting and editorial campaign for the elimination of the Africville ghetto and our pleadings for construction of respectable housing in an integrated society is largely responsible for the success of that aim. The fact that the Nova Scotia Human Rights Commission blocked vigorous attempts to hire two of our reporters..."

The Chairman: It has been asked whether document you are reading?

Mr. Dennis: I have some notes here on questions which we thought might be asked.

The Chairman: I am sorry, fine, go ahead.

Mr. Dennis:

"The fact that the Nova Scotia Human Rights Commission blocked vigorous attempts to hire two of our reporters, Mr. Jim Robson and Mrs. Sheila Urquhart for full-time employment in that field is tribute to their sympathetic coverage of that of our newspapers. Our coverage of Human Rights Conferences has attracted favourable comments from officers of the Nova Scotia Society for the Advancement of Coloured People.

We have quite properly, we feel, not reported the Black Panther Movement excess which a year ago made a sort of entry into our province, but we have said editorially that we support the rights of Indians and Negroes who organize the present associations and urged other organizations to offer their services to assist in the quest for a solution to their problems."

You might want to recall our efforts. For years we sponsored on CHNS the annual broadcast to raise funds for the Home for Coloured Children and we were involved in Rainbow Haven offering summertime vacations for underprivileged boys and girls of all races.

Senator Prowse: How many Negroes do you have on your staff?

Mr. Dennis: It varies. I would say we have at least eight.

Mr. Frederic Mounce (General Manager): All throughout the building, Senator, the classified department and the composing room...

Senator Prowse: I don't know where they are and that is why I am asking.

Mr. Mounce: Is this what you want?

Senator Prowse: I am doing a straight firing question which no lawyer is supposed to do. I don't know what the answer is.

Mr. Mounce: Well, they are not in any other department, Senator. They are in the news department of the newspaper.

Senator Prowse: In the editorial department s well?

Mr. Mounce: I must qualify that, sir. We ad a Negro in our editorial department...

Mr. Shea: Yes, we did have a Negro in our itorial department recently, sir, but he has ft and gone to the *Globe and Mail*.

Senator Prowse: In other words he worked ith you as a reporter?

Mr. Shea: Indeed, sir, yes.

Senator Prowse: And after his training he ent to a job with the *Globe and Mail*?

Mr. Shea: To a job with the *Globe and ail*. What happened, sir, was this. We cruitied him as a potential reporter while he as in university and as a matter of fact we egaged him at that time while he was a sident as a university correspondent for us ad upon his graduation we engaged him as a ill-time reporter. He worked for us for most six years and I think because of some rsonal reasons and no other—personal within the family I believe, sir, he decided he wanted to live in Toronto for the time being.

Senator Prowse: Well, what you are telling is that he left Halifax to go to Toronto. Id you fire him first?

Mr. Shea: No, not at all.

The Chairman: I wonder, Senator—I will ene back to you I promise but some of the ous Senators...

Senator Prowse: At this point I would say tit I would yield the floor now and I can over more later if you wish me to.

The Chairman: Absolutely, I am sure I do.

Senator Prowse: It was my intention to suggest that.

The Chairman: I will turn to Senator Phil- lis after I ask one question myself. It must b very easy to sell advertising for your newspaper?

Mr. Dennis: Well, sir, we have two televi- ish stations in Halifax, we have a radio sta- tion, *CJCH*, we have radio station *CHNS*, and radio station *CBH*, we have radio station *CDR* in Dartmouth, we have radio station *CNS-FM* competition for the advertising dollar...

The Chairman: Do you think that radio advertising is as effective as newspaper advertising?

Mr. Dennis: Senator, don't you think I am a little prejudiced on that point?

The Chairman: Well, I would be interested in your answer.

Mr. Dennis: I have been brought up by the printed word, sir, and I believe the printed word.

The Chairman: You would agree that there is more newspaper advertising in this country than there is by television by quite a consid- erable amount?

Mr. Dennis: Well, I would say that I think that newspapers, for most types of business, do the best type promotion work.

The Chairman: Do your two papers main- tain separate advertising sales staff?

Mr. Dennis: No, sir.

The Chairman: So that the same salesmen sell for both papers?

Mr. Dennis: That's right, sir.

The Chairman: Is it possible either nation- ally or locally to place an advertisement in one of the two papers only?

Mr. Mounce: Yes, it is, sir.

The Chairman: Is it done frequently— nationally first, Mr. Mounce?

Mr. Mounce: Not so much nationally.

The Chairman: Is it ever done nationally?

Mr. Mounce: Yes, it is.

The Chairman: It is done?

Mr. Mounce: Yes, it is, and again we have a queer set up. They may wish to advertise in the "*Mail*" in the afternoon and in the "*Her- ald*" the next morning, but they can take one paper or the other.

The Chairman: But they could advertise only in the *Mail*?

Mr. Mounce: Yes.

The Chairman: Is that done often?

Mr. Mounce: Not too often.

The Chairman: Is it done every week?

Mr. Mounce: No.

The Chairman: Is it done every month by some national advertiser?

Mr. Mounce: No, I would say very infrequently.

The Chairman: How about locally, is it the same thing?

Mr. Mounce: No.

The Chairman: I would just like to come to this question as to how real the competition is between the two newspapers. Is there a competition—obviously not for advertising dollars because the same people are selling—but is there a competition for news stories?

Mr. Shea: We have a separate staff.

The Chairman: A separate staff?

Mr. Shea: Yes.

The Chairman: So, are the reporters working for the afternoon paper who are competing in trying to get a scoop on reporters who work for the morning paper?

Mr. Shea: Yes.

The Chairman: Would it be fair to say that you have a monopoly for printed local news in Halifax?

Mr. Dennis: No, sir.

The Chairman: On a daily basis?

Mr. Dennis: Well, may I say to you I don't think that is a good term.

The Chairman: Well, choose your own term.

Mr. Dennis: Well, I would say to you that we publish the only morning daily newspaper in Halifax. There are two television stations and three radio stations.

The Chairman: No, but I said printed news.

Mr. Dennis: In the printed word...

The Chairman: Well, again, I expect you to be biased because you said you have a prejudice. I am sure you would agree with me that radio newscasts really can't give the kind of in-depth coverage that a newspaper can.

Mr. Dennis: I am glad to hear you say that.

The Chairman: Well, I believe it.

Mr. Dennis: I am glad you do.

The Chairman: And you would agree with me that the four newspapers that you mentioned in Nova Scotia have virtually no circulation in the City of Halifax?

Mr. Dennis: Well, some of them come sir, yes, but not too much. They don't come to too great an extent.

The Chairman: Well, how many papers day?

Mr. Dennis: I don't know.

The Chairman: Well, would they all to sell 100 papers?

Mr. Dennis: Oh, far more than that.

The Chairman: Far more, how much more?

Mr. Dennis: Maybe 1,000 or 2,000.

The Chairman: Do you think that they would sell 2,000?

Mr. Dennis: Well, there are a lot of Bretoners who live in Halifax, people who live in Truro and Amherst and New Glasgow who like to keep their home-ties. They like to find out what is going on at home.

The Chairman: How would you describe for purposes of advertising—how would you describe your coverage of Halifax? You say it is not a monopoly...

Mr. Dennis: Not for advertising.

The Chairman: Well, I asked a question here to the other day of the London Press. Would you describe your position as being overwhelmingly dominant?

Mr. Daley: In the printed form I think it would be so.

The Chairman: Overwhelmingly dominant in print?

Mr. Daley: Yes.

Senator Phillips: Before I begin my questioning, Mr. Chairman, I first want to assure you that I feel that the staff of the *Halifax Herald* didn't feel they were demoting any individual that they let go to come to the "Globe and Mail".

Senator Prowse: They made that clear.

Mr. Shea: I beg your pardon, Senator.

Senator Phillips: Just wanted to assure the Chairman that you people really didn't...

you were demoting the individual who left to me to the "Globe and Mail".

The Chairman: I think Senator Phillips is suggesting that a move to Toronto is not a step forward. I am sure in his opinion it isn't!

Senator Phillips: Mr. Dennis, you mentioned that you felt you spoke for all Nova Scotians. I can remember and I am sure at least one other member of the committee can remember when you used to be much more of a Maritime newspaper than you are now.

Mr. Dennis: That's right.

Senator Phillips: For instance you used to come into my home with a special section for Prince Edward Island. What occurred or what developed that made you cancel that?

Mr. Dennis: Cost, sir. Cost of operations.

Senator Phillips: Lack of profits?

Mr. Dennis: I would say that—cost of operations, yes, sir.

Senator Phillips: One thing I do enjoy about your newspaper is the fact that on special events across Canada you send out your own reporters to cover these?

Mr. Dennis: We try to do our best, Senator.

Senator Phillips: To report back rather than taking straight Canadian Press stories? I rather enjoy this. Can you give me any idea as to what percentage of major events in Canada would be covered that way as opposed to CP coverage?

Mr. Dennis: Well, may I ask Mr. Shea to answer that question, Senator?

The Chairman: Certainly.

Mr. Shea: If I may take last year, Senator—and a reference here...

Mr. Dennis: I have it here, Harold. We have been following your deliberations and these answers are ones that we have arrived at by answering your previous questions, sir.

The Chairman: I think this is referred to in my brief at page 12 but would you care to enlighten those for us, Mr. Shea?

Mr. Shea: In the past year, in 1969, as an example, our staff covered the entire session of the New Brunswick Legislature in Fredericton, all the constitutional and fiscal conferences in Ottawa, the policy conference of the

Progressive Conservative Party in Niagara Falls, the policy conference of the Liberal Party in Harrison Hot Springs in British Columbia.

Senator Phillips: And in Quebec?

Mr. Shea: And in Quebec, sir. A week ago we staffed the Liberal Leadership Convention in Quebec City. We, for example, also did the Newfoundland Liberal Leadership Convention and...

Senator Phillips: My question, Mr. Shea, was you had one of your reporters in Newfoundland?

Mr. Shea: Yes.

Senator Phillips: Do you use his stories solely or do you also use CP's?

Mr. Shea: Most of the time, sir our reporters are assigned on events of this kind, and on events of national importance and they can either do one of the two things. They size it up once they get there and if for example there is a special Nova Scotia or Maritimes story that develops in the convention or conference or whatever it is that may not be played up adequately by the Canadian Press wire because it is not of major or national importance, our staff then zeroes in on that.

We use both—Canadian Press copy plus our own. Does that answer your question, sir?

Senator Phillips: Yes.

The Chairman: On this question of coverage I note that you covered the Progressive Conservative Conference in Niagara Falls and the Liberal Conference in Harrison Hot Springs, but not the NDP Conference in Winnipeg.

Mr. Shea: I think that is true.

The Chairman: Is there any reason for that?

Mr. Shea: Not that I know of.

Senator Phillips: Have you been approached by any of the so-called chains to purchase your newspaper?

Mr. Dennis: Off and on. Off and on we get people who would like to purchase it.

The Chairman: Which one of the three major ones have approached you?

Mr. Dennis: Well, I would say...

The Chairman: I might say that that is a question we have asked several publishers this week and they have answered it so I am not trying to embarrass you. Would it be fair to say that they have all approached you?

Mr. Dennis: Most of them have, sir, most of them have approached us at one time or another but I would say this to you—we feel that this paper should preferably be owned by Nova Scotians.

The Chairman: Well, you have made that clear in your brief.

Mr. Dennis: It is a sacred trust as far as we are concerned.

The Chairman: Well, I think Senator Phillips is asking the question not as it relates to you but as it relates to the activity of the chains.

Senator Phillips: This question may sound a bit argumentative, Mr. Dennis, but I notice in your brief you said that it was your viewpoint that editorials mould public opinion. This is a viewpoint that I know editors like to have but it is one I never wanted to accept and I am rather curious to know or to find out what particular special wisdom the editors have to mould public opinion as opposed to any other group?

Mr. Dennis: I would say that they have a right to discuss the pros and cons of an issue, sir. I don't think they should be too far ahead of public opinion.

Senator Phillips: Yes, but moulding to me means that you are directing in one specific direction?

Mr. Shea: I think perhaps we help shape, help mould, help shape the news.

The Chairman: But with great respect, gentlemen, I don't think you are answering Senator Phillips' question. His question, as I understand it, is what special wisdom you have to mould public opinion?

Senator Prowse: To justify...

The Chairman: Well, I think his question stands by itself. It is a good question.

Mr. Daley: If I may interject, Mr. Chairman...

The Chairman: Yes, of course.

Mr. Daley: I think on the matters of great importance to Nova Scotia we attempt to make an in-depth study and call upon as much expertise as we can as to the ramifications and make a decision on an issue, whatever that decision may be. Having done that we chart our course.

For example, from time to time we are very critical about tariff policies. And if one lives in the Maritimes for a long time one gets to know pretty well what the ramifications of the current tariff policies are insofar as they affect the Maritimes and we tend in that respect to mould public opinion and to gather up public opinion so that there may be a common voice on that issue.

Now, that is one example but freight rates are another, and taxation.

Mr. Dennis: And tourism.

Mr. Daley: And tourism is another. We feel that living in the Maritimes you should take a particular interest in every aspect of the economic life of the Maritimes. We recognize right off the bat that we are not experts on any given subject but as I say we attempt to get some expertise from outside sources.

Senator McElman: Mr. Chairman, if I may. With respect to the matter of freight rates and the tariff policy, I suggest that it is the best example because public opinion is pretty well formed. I think you would agree with me at least as far as the Maritimes are concerned.

Could we try another example that Mr. Shea raised a short while ago, the flag debate? What approach did the newspaper take editorially on the burning issue of the time moulding public opinion?

Mr. Shea: Well, I think we supported the retention of the Union Jack as I recall.

Mr. Dennis: That's right.

Senator McElman: Did this apply to newspapers?

Mr. Dennis: Yes, sir.

Senator McElman: Do you believe that there was a case of moulding public opinion or do you believe that it was the reflection of the majority view of your readers?

Mr. Dennis: I think that reflected a segment of the Nova Scotia people there.

Senator McElman: Then you were reflecting rather than moulding?

Mr. Dennis: That's right, yes.

Mr. Fortier: Thank you, Mr. Chairman. Mr. Dennis, you said earlier that insofar as editorial opinions were concerned, in the end, was your responsibility as publisher?

Mr. Dennis: In the final analysis, yes.

Mr. Fortier: Well, I would like to go from the area of editorial policy to the area of news coverage. I would like to ask you this question. When the time comes to decide whether a particular piece of news should or should not be published in your newspaper, who decides that?

Mr. Dennis: I would say that we have a general understanding in the news department—the managing editor handles this and it is referred to him, and if he has any doubts, hesitations or questions about it, he will come down and talks it over with me.

Mr. Fortier: Has it ever happened in the past that news stories have been killed, as you say in the trade, and not published in your newspapers?

Mr. Shea: Yes, sir, I suppose. Not as frequently as in the past but there are now occasionally stories that have had to be killed because of libelous content.

Mr. Fortier: Is that the only reason they could have to be killed because of libelous content?

Mr. Shea: That is the only reason now, sir, or they would be killed, yes. There was a time, I suppose, long ago when stories had to be killed because of censorship and that kind of thing.

Mr. Fortier: What instructions do you give your reporters when they go out to seek the news? Do they receive any specific instructions?

Mr. Shea: Their instructions are to cover the story and to present a balanced picture of what the story is all about.

Mr. Fortier: To cover the story as you put on page 6 of your brief, "clearly and fairly." Is that correct?

Mr. Shea: Yes, sir.

Mr. Fortier: Now, our researchers have told that insofar as coverage of political

meetings in Nova Scotia are concerned, your reporters were forbidden to state how many people were in attendance, whether the speeches dealt with something new or significant, whether a fight erupted, and whether there was heckling or not. Is this true or not?

Mr. Shea: Well, your first point about the size of the crowd. They are not forbidden to do so. In the past in some election campaigns, we have decided it is easier not to have to fight with some political organization the next morning about whose estimates is right.

Mr. Fortier: But it is a fact, is it not that at no time, either in the "Herald" or in the "Mail-Star", at the time of election campaigns is there a reference to the number of people attending at a political meeting?

Mr. Shea: That is not true, sir.

Mr. Fortier: That is not true?

Mr. Shea: That's right.

Mr. Fortier: What about whether speeches dealt with something new or significant which would be sort of a comment on the part of the reporter as opposed to a straight reporting of what the speech consisted of?

Mr. Shea: Well, all of our reporters, sir, when assigned to cover political meetings during election campaigns cover as non-interpretive reporters. They are factual, "what was said type reporters".

Mr. Fortier: Do they receive instructions along those lines?

Mr. Shea: Yes, sir.

Mr. Fortier: Are these written instructions?

Mr. Shea: No, sir. This is to ensure that the political parties of whatever stripe that are running in the election that they know that the viewpoint of the speaker at a conference or a convention or whatever the case may be, is put forward and not interpreted by a reporter at that particular meeting.

Now, there are opportunities for interpreting that news at another stage.

Mr. Fortier: Well, if a speech was given by a political candidate, either at the municipal, provincial or federal level and he covered an area or made a suggestion which had never been made before, for your reporter to say in the news column that this was something new...

Mr. Shea: Oh yes. I can't recall when we did not.

Mr. Fortier: But what you seek to do and your instructions to the reporter is to go out and get just the story, the bare bone of the story?

Mr. Shea: I wouldn't put it that way, sir. I would say that the instruction is to go out, cover it fairly and adequately. In 25 years on the staff of the paper, I have never been told nor have I told anybody to cover just the bare bone of a story. I just wouldn't presume to do that. The reporter must be able to analyse the work of a story as he sees it and when it develops.

Senator Phillips: Mr. Shea, I believe it is the custom of a particular candidate or certain political parties within certain areas of Nova Scotia to submit their own news stories to you on their meetings. Is that correct?

Mr. Shea: The custom?

Senator Phillips: Yes.

Mr. Shea: No, no. It has been done, but it is not the custom. It has been done for this reason, that—we say to the political parties prior to the actual campaign that we will attempt to cover at least one meeting per party per night during an election campaign. We would ask them to suggest to us which meeting they feel is most important—which they do.

The Chairman: Well, what if there are several meetings? What if the Conservative Party has three meetings?

Senator Phillips: Well, this is what I am getting at. It is not sent in by the parties themselves?

Mr. Shea: No. If it is what we call in loose terms a big league candidate for example, a member of the Cabinet, or a member of the Provincial Cabinet or...

The Chairman: Senator Paul Martin?

Mr. Shea: Senator Paul Martin. We would of course cover that kind of a meeting without question. The political parties are asked in addition to that to say to us which other means would be their choice of coverage. There are occasions when because of storms—some campaigns are held in times of storms as you know—when the reporter may get snowbound. I can recall one or two instances where we have had to call the speaker of the

meeting after and explain to him that we couldn't get there because our man was stranded and ask him if he give us in general terms what he said. We have done that and there are times also I think when the political parties have sent us press releases and I think this is what you meant, yes.

Senator Phillips: Yes.

The Chairman: In a federal election, how many federal constituencies are there in Nova Scotia?

Mr. Shea: There are 11.

The Chairman: Well, supposing on a particular—the final week of the campaign there are 22 meetings. There are 11 Conservative meetings and 11 Liberal meetings. It would be unnatural for each candidate to hold a meeting in the climatic stages of the campaign. Now, that is 22 people, so would a person running for either of the major political parties—at least major in terms of Nova Scotia—would that person, to use your phrase, a big league candidate, someone who is going to be one of the 11 members of parliament...

Mr. Shea: Oh indeed.

The Chairman: Well, you would cover all of those meetings?

Mr. Shea: No, some big leagues are big leaguers than others. No, I am not trying to be facetious but I am saying, sir...

The Chairman: Neither am I. I would think that a member of parliament from Nova Scotia is a pretty significant person for a newspaper of record for the province?

Mr. Shea: Indeed.

The Chairman: Well, why wouldn't you cover every meeting?

Mr. Shea: I think it is because we just don't have the staff, sir.

The Chairman: Well, that doesn't sound like many meetings to me.

Mr. Shea: In one night, sir?

The Chairman: I don't think so. Two or two. How many reporters do you have?

Mr. Shea. Well, I believe we have...

Senator McElman: Well, they wouldn't all on one night in any event.

Mr. Shea: In the last year or two we have greatly enlarged our provincial coverage, We have put in first rate people in the Annapolis Valley and in Cape Breton we have always had staff.

We have greatly strengthened our position in Pictou and we have always had a man in Colchester and a man in Amherst and we are strengthening our bureau in Yarmouth. This will give us greater mobility for coverage.

May I talk to you as a reader, sir?

The Chairman: By all means.

Mr. Shea: Well, you take a lot of these people who go around from constituency to constituency talking politics—please, I am not belittling your efforts because I think it is superhuman what you people do and what you put yourself through but as you know, you read a lot of these stories and there is a lot of repetition.

The Chairman: Yes, but to strain my imagination and to strain Senator Phillips' imagination even more, if I were the president of the Conservative Association in Truro and my candidate was having his final major meeting in the election campaign and you have already made the point about trucking these papers to Truro for eight o'clock in the morning, I would sure be disappointed if it wasn't covered live by one of your people.

Mr. Dennis: Well, Senators, let me put it to you this way. Prior to the elections we sit down with each constituency and each party headquarters. They tell us what they want. There is flexibility and we cut back or enlarge as we see fit.

For instance, lots of time Shea has come down and said to me, "Well, we have agreed to do this", and this type of thing.

The Chairman: But aren't you reluctant to put yourself in the hands of the party headquarters?

Mr. Dennis: Well, sir, we are Nova Scotians and we trust one another.

Senator Prowse: Well, you are not being very creditable at the moment.

Mr. Dennis: Well, I am sorry, sir. I have a lot to learn.

Senator McElman: Perhaps we could shake down to understandable terms, Mr. Shea. If you could give us an estimate of the percentage of news that is published with estimates

from party reports of meetings rather than from any of your full time reporters or your stringers?

Mr. Shea: I would say that in a provincial campaign the amount of copy that is supplied to us by the political parties I don't think would measure one percentage point and it would be fractionally less than that, sir.

Mr. Fortier: On the one hand you cover one meeting of one political party per day and if on the other hand the selection of that meeting is made by the political party concerned...

Mr. Shea: The suggestion is made, sir.

Mr. Fortier: The suggestion is made by the political party at your request?

Mr. Shea: Yes.

Mr. Fortier: Well, how do you reconcile that policy with the two statements in your brief that you attempted to report all of the news fairly and accurately and that responsibility for news coverage rests on the shoulders of the editorial people. How do you reconcile your policies with the statements in the brief?

Mr. Shea: Well, Mr. Fortier, I am afraid I don't see a conflict.

Mr. Fortier: You don't?

Mr. Shea: No. If we go to the political party—and we have a chart drawn up—we say to them some of your meetings obviously are going to be of major importance and at some of these you are going to be announcing new policies and new planks for your platform, if you will tell us which of those are germane to the case, we will attempt to give those prior consideration for coverage.

Mr. Fortier: But the fact of the matter is that there are on any given night at the time of an election many meetings which are not covered by the newspaper, the two newspapers which have a dominant position in the City of Halifax in the Province of Nova Scotia?

Mr. Shea: I suppose, sir, that would be correct. It is conceivable that there would be 33 meetings a night. We do not cover them all.

Mr. Fortier: I would like to come back to a point which was covered briefly earlier, the newspaper editorial. The newspaper editorial

which as you say in your brief on page 7 should help to mould public opinion. How do you come to decide, Mr. Dennis, whether public opinion should be moulded on a given issue?

Mr. Dennis: Well, Mr. Fortier, I travel the province once or twice a year. We have our circulation representative throughout the province and our news people. We mix in society and we live there and we talk to all political parties. We get a play-back and I would say that that is it.

Mr. Fortier: This is how the issues tend to become of a nature that newspapers should deal with?

Mr. Dennis: Well, Mr. Fortier, people or politicians or Senators or individuals, call us up and tell us, did you think of so and so and if we think it is worthwhile we will look into it, sir, yes. Did I answer your point?

Mr. Fortier: Well, I will have a supplementary question on that. We have made a study on editorial content of your newspapers in recent months...

The Chairman: In fairness to all, on a great many newspapers?

Mr. Fortier: Oh yes. You have read how much money has been spent on research I am sure by this Committee...

Mr. Dennis: Yes.

Mr. Fortier: And in three areas we find that at no time have either one of your two newspapers pronounced themselves editorially and I will tell you what those areas are. One of them is on Pope Paul's anti-birth control pronouncement. Another one is direct endorsement by your newspaper of any given candidate in a municipal, provincial or federal election. Direct endorsement of a candidate—not of policy but of a direct candidate; and thirdly, the provincial government's handling of the heavy water situation.

Would you care to comment on any one of those three issues and tell the Committee why you did not see fit to editorialize on any one of them. Let's take them in order of importance.

Pope Paul's anti-birth control pronouncements?

Mr. Dennis: I think we have had comment on it in the papers. I don't think we have editorialized but we have had comment on it.

Mr. Fortier: You mean, you have had news reports?

Mr. Dennis: Yes.

Senator Prowse: News of comment?

Mr. Dennis: That's right.

The Chairman: But I believe that the question was to do with the editorial comment though, wasn't it?

Mr. Shea: May I ask why that should be the basis of an editorial comment?

Mr. Daley: Well, I think that is a matter of personal conscience, and one on which perhaps shouldn't intrude.

Mr. Fortier: Well, it is a matter of record that particular matter was the subject of editorial comment by the great majority of newspapers in Canada and in the United States and indeed in the world. This is what I asked the question.

The Chairman: Well, to put the thing in perspective, your answer about the matter of personal conscience was a good one and it was an interesting comment to have on the record. I think the answer to Senator Phillips' question more directly is really though what most of these gentlemen have said. Mr. Daley has expressed his opinion but I think Mr. Fortier has quite properly pointed out that a great many newspapers did editorialize on it.

However, let us move onto the next one.

Mr. Fortier: I have great respect for senior colleagues, Mr. Daley, and I am attempting to cross-examine you in any way but in the matter of the flag debate when Senator McElman raised earlier, would you not say that this was also a question of personal conscience and yet the newspapers took a position?

Mr. Daley: Well, I think in a different context perhaps. Perhaps the religious matters touch a good many people more deeply than almost anything else. People can be very readily offended I think, if one attempts to attack their personal religious beliefs.

Let us say that I think that that is very much a matter of personal conscience, perhaps more so than the flag debate.

Mr. Fortier: Well I certainly won't get into a philosophical argument with Mr. Daley about that. What about the endorsement of political candidates. You touched upon it earlier but

is still not clear why a newspaper which seeks to mould public opinion as you set forth very forcefully in your brief—it is the only one liner in your brief...

Mr. Dennis: Yes.

Mr. Fortier: Why at election time don't you take a position?

Mr. Dennis: Senator, I think we live in a very small province. I know in the last federal election we gave practically equal coverage to both federal candidates, the Prime Minister and Mr. Stanfield.

Mr. Fortier: Well, excuse me for interrupting, but was this a policy of the paper to give equal coverage?

Mr. Dennis: We try and endeavour, sir, at times to do this.

Mr. Fortier: That is not only in federal elections?

Mr. Dennis: In every election, sir.

Mr. Fortier: And equal coverage really means equal coverage, almost to the point of the same number of lines, is that right?

Mr. Dennis: That's right, sir, it is practically measured.

Mr. Fortier: Well, Mr. Dennis, this is what we have found out.

The Chairman: You mean it is literally measured?

Mr. Dennis: No, practically measured.

The Chairman: With the same prominence on the same page?

Mr. Dennis: We try, sir, may I read a little quotation which I think might explain our situation.

comes out of the Commonwealth Press release which was issued in November and it is:

"The press on so many occasions has to balance reporting so as not only to convey what may appear to be so but also not to aggravate what already may be a difficult situation."

Mr. Fortier: The quote stands. What about the heavy water situation. I am sure you saw that Mr. Bagnell wrote an article in the magazine last month—issued December 20th where he touched on that. Would

you care to comment? I think that statement of his—both major newspapers in Halifax have yet to criticize the government's handling of the heavy water situation and have actually gone so far as to criticize those who do.

I think you should be given an opportunity to answer that statement.

Mr. Dennis: Well, I think to say that we criticized those who do. I don't think that's fair.

Mr. Fortier: Meaning that you don't, or meaning that you do and you shouldn't be criticized for it?

Mr. Dennis: I don't think we have criticized anyone. It is a free country, and free speech, sir. I think the heavy water problem as a Nova Scotian is a thorny problem.

Senator Prowse: It is a 132 million dollar problem?

Mr. Dennis: That is right, sir. I think the credit of our province could be jeopardized by it. I still think sir that we try not to aggravate it.

Mr. Fortier: How have you done that, in what way?

Mr. Dennis: Well, we have studied it. I have personally gone out...

Mr. Fortier: Have you asked any members of your staff to study it in depth?

Mr. Dennis: Yes, sir. I have done it myself, sir.

Mr. Daley: If I may interject, sir. I think we have had a number of off-edit page articles on the subject.

Mr. Fortier: By members of your staff?

Mr. Daley: Yes, sir.

Mr. Fortier: And there have been many in recent months, is that what you are saying?

Mr. Daley: I can think of at least several in the last month or six weeks. Did you not do one yourself?

Mr. Shea: Yes, I did a full page—two full pages on it myself.

Mr. Fortier: Did you take a position in your column?

Mr. Shea: No.

Mr. Fortier: You didn't?

Mr. Shea: There have been—we felt the need to explain how we got into heavy water and how it all began and what the problems were and so on and so forth. We did not take a position. We reported actually what happened and the involvement of all levels of government. This was more of a background piece to put the whole thing into perspective because, as you know, it has been going on for such a long time and some people have forgotten how we ever got involved in this.

Mr. Fortier: Well, in this respect clearly no attempt has been made to mould public opinion by your newspapers. Is that correct?

Mr. Daley: I think at that the moment that our position is this. We recognize it to be a very serious problem but we don't think that criticism at this stage is going to solve it. We are hoping that there will be a solution but I think our position has been that we are awaiting events to see whether there is a solution or there is not. At that time the form of the criticism can be gone.

Mr. Fortier: Mr. Daley, rather than wait for events if I may quote you, don't you feel that a newspaper with your responsibility in the province as a whole, and in Halifax in particular, should not wait for events in an area which is of substantial and of important nature but would rather attempt to seek solutions?

Mr. Dennis: Mr. Fortier, we did an editorial on page 1, January 1st which indicated some of our hopes and aspirations for Nova Scotia at the federal level and the provincial level and one of them was that we sincerely hoped that an early decision would be arrived at one way or another on the heavy water plant, Glace Bay, sir.

Mr. Fortier: And you are still hoping?

Mr. Dennis: We are still hoping. May I say to you from my own point of view, sir, that if we can't operate I think it would be a catastrophe and I would like to go far enough to at least think that if we can't we can at least save some of it and not lose it all. That is my point, sir.

The Chairman: I see that the reporter would like to break for a moment or two. But I would like to say, Senators, that it is almost one o'clock—I don't want to prolong this unnecessarily but I know there are a few

more questions, but I think we will try adjourn before lunch and not bring you back this afternoon.

—Short adjournment.

The Chairman: Honourable Senators, I call the meeting back to order. Senator McElman?

Senator McElman: I would like to look at a moment at the relative financial importance to Nova Scotia of the heavy water involvement. It is somewhere in the area of 130 to 150 million dollars. If my memory serves me correctly this represents somewhere between 40 to 50 per cent of the net debt of the province. It is not part of the net debt but relate it to the net debt. This is correct, is not, 40 to 50 per cent?

Mr. Daley: I am not sure.

Senator McElman: But, I think it is reasonably accurate. I would like to give you some correlate. In New Brunswick there has been a failure of a similar industrial enterprise at Westmorland Park—I am sure you are familiar with it—which represents about 10 per cent of the net debt of the province in relative terms. This has been editorialized and ad nauseam in the press of New Brunswick, particularly by one element of it which is furthest removed geographically from the industry concerned. I find it strange—the attitudes.

Mr. Dennis: What is that, sir?

Mr. McElman: I am sure that the Nova Brunswick proprietors of the newspapers are as interested in New Brunswick as you are in Nova Scotia.

Mr. Dennis: That's right.

Senator McElman: What we get down to is a matter of editorial choice, I suppose, is that correct?

Mr. Daley: I think first of all at the moment, we are not prepared to recognize a heavy water plant as a failure.

Mr. Dennis: Wholly or partially.

Mr. Daley: We think there may be some thing redeemed out of that.

Senator McElman: I am sorry if I indicated that it was.

Mr. Daley: The experts say that it could be done on a certain basis but they will have

study the economics of that to see if it can be a viable situation and whether the losses can be reduced or just what the plus and minuses are and to that extent I think there is some distinct possibility. And secondly, it is a very technical problem and one which I don't think anybody on our paper is competent to deal with in the technical aspect. The experts themselves have some division of opinion and therefore technically I don't think it is appropriate for us to deal with it. I think that finally, until the decision has been made as to whether or not this can be made a viable entity that we can contribute nothing to the overall picture by criticizing for criticism's sake until we have a constructive approach to it and to repeat myself await events, and hopefully that decision will not be postponed so much longer.

If we have failed at all I think perhaps it is that we have not criticized the delay in reaching a decision but again it is a very complex issue and it might be very gratuitous for us to urge upon people, who know far more about it than we do, that the decision should have been made yesterday rather than tomorrow.

Senator McElman: My colleague, Mr. Chairman, has sent me a note on the nature of the failure in Westmorland. It was the attempt by the Government of New Brunswick through one of its agencies to establish a chemical park, a chemical complex at which there would be a number of industries and very too of course, Mr. Daley, are still attempting to make it a viable thing under private or public ownership.

There is one other aspect of the thing I would like to ask about. It is public knowledge and indeed has been published in your newspapers that the Government of Nova Scotia has been endeavouring to have the Government of Canada assist them in carrying some part of the financial load which we all regret has come upon them in this one instance.

Would this not in your opinion be a point at which you might usefully on behalf of the people of Nova Scotia editorialize?

Mr. Shea: We have.

Senator McElman: You have?

Mr. Shea: Oh yes, we have done that many times.

Senator McElman: Then we agree.

Mr. Shea: Yes.

Mr. Dennis: Senator McElman, heavy water—the production of heavy water and the sale of heavy water is one of the planks of the Government of Canada today. Am I correct?

Senator McElman: It is one of the great interests of the Canadian people.

Mr. Dennis: As a Nova Scotian, sir, and as in New Brunswick, I am sure we all have the same ideas, to promote and grow in this part of Canada where we live. My difficulty is this. Why should the federal government enable the province of Ontario—or so I am told—I may be wrong and I stand to be corrected, but why should the federal government put up nuclear power plants in Ontario and Quebec. This is again technical—I haven't looked into it because this is hearsay on my part—but if they are putting them up why do they say, you don't have to buy them if you don't want to, but if you do buy them—and this is the point—we will sell them to you at a price where it would make it competitive to existing fuels of generations of power. Is that not a subsidy or handout, sir?

Senator McElman: Well, I am not a witness.

Mr. Dennis: Well, excuse me, sir, I didn't mean to be rude. To me as a Nova Scotian I think we should be afforded the same opportunity and if the federal government makes a handout to Ontario I think we should be put in the same position. We were the pioneers in heavy water in Canada, weren't we, in Glace Bay?

The Chairman: Mr. Dennis, I assure you you weren't being rude to Senator McElman, but as interesting as the discussion of heavy water is I would like to return more to a discussion of the media in Nova Scotia, and therefore Mr. Fortier can resume his questioning. I will return to you Senator McElman in a few minutes, because after all that was a supplementary question.

Senator McElman: Fine.

Mr. Fortier: Mr. Dennis, so far as your staff is concerned, your reporters, your editors, have you ever had any of them resign because of policy imposed by you the publisher on them?

Mr. Dennis: Well, Harold, will you answer that question?

Mr. Fortier: Well, I think with respect I would rather have the publisher answer the question.

The Chairman: Well, in fairness, I told the publisher he could farm out questions and I think I must allow him to. I think we will let Mr. Shea answer it.

Mr. Dennis: I don't know of any occasions, sir, where a person has held a different view of mine that has been asked to resign. I am not aware of it, sir.

Mr. Shea: I think the question was, has there been either a case where a member of our staff who disagrees with our policy.

Mr. Fortier: And resigned for that reason.

Mr. Shea: For that particular reason?

Mr. Fortier: That is either one of your reporters or a member of your editorial staff?

Mr. Shea: Because he disagreed with the policy?

Mr. Fortier: Because either he disagreed with your policy or he either disagreed with a view imposed on him by the newspaper, by the publisher?

Mr. Shea: There was one instance, sir, if I may. There was a story which developed I think about 18 or 19 months ago, sir, where a member—I think it was Mr. Regan of the Liberal Party—made reference to a matter involving land tract transactions in housing. Two of our reporters were working on the story on the weekend. We had covered the speech which of course, was privileged—I am thinking in terms of libel—the contents of Mr. Regan's speech was privileged. I believe this is the case you are referring to or at least I am reasonably sure. The two reporters worked on an interpretive background piece on the weekend. This of course was not privileged. I referred the story to the office of the solicitor for examination as I would in any story where I felt there was a strong possibility of libelous content.

In this particular instance if I remember correctly, there was I think 13 or 14 instances of potential libel involved in the story which the solicitors recommended we remove prior to publication.

In the consideration of the story one edition of the paper rolled without the story because there was no point, the paper just doesn't stop. You have to let it go on time. One of

the reporters became irritated at this point and resigned.

However, I am trying to search my mind now to see if this is off the record but I think you will forgive me if it is. The reporter concerned called me within the next 48 hours to ask me what he could do to straighten out the affair because we were being criticized at the time for withholding the story.

Mr. Fortier: You were being criticized by whom?

Mr. Shea: By competitors in the news industry, I think, by radio and television.

Mr. Fortier: Were they criticizing you publicly?

Mr. Shea: Yes.

Mr. Fortier: Were they publishing the stories themselves?

Mr. Shea: Not that particular story, not that particular moment. We all did later in the day but that particular story in my view had to be referred to the solicitors as it was done so. And there were several instances—at least 13 that were libelous in our solicitors' view and mine. There were instances of potential libel and I think it is our responsibility always to ensure that it doesn't happen.

It is the newsman's responsibility to ensure that this type of thing doesn't happen.

Mr. Fortier: What about the bare bones of the story. Was it published?

Mr. Shea: Oh, indeed it was.

Mr. Fortier: It was?

Mr. Shea: Yes.

Mr. Fortier: And those two reporters resigned?

Mr. Shea: No, only one. One resigned he called within 48 hours to ask me what he might do—could he issue a statement for example, to explain that we had done a proper thing.

Mr. Fortier: Has he been re-hired by the newspaper?

Mr. Shea: No, he didn't want to come back.

Mr. Fortier: Other instances in recent years of reporters or members of your editorial staff resigning over disputes such as this or?

Mr. Shea: None that I can call accurately, sir. There may have been but I just don't know about.

Mr. Fortier: Does the name Dave Betts mean anything to you?

Mr. Shea: Yes, it does.

Mr. Fortier: Did he ever work with you?

Mr. Shea: Dave Betz was in fact one of our news editors.

Mr. Fortier: He was your night news editor?

Mr. Shea: Yes, sir.

Mr. Fortier: Around 1962 approximately?

Mr. Shea: Yes.

Mr. Fortier: On what terms did he leave the newspaper?

Mr. Shea: I can't actually tell you that, sir. I was covering other matters at that particular time.

Mr. Dennis: As I can recall sir, at the time there was an election campaign and I think the managing editor made a pronouncement which was his responsibility as managing editor and I think—it is my recollection that he disagreed with it.

Mr. Fortier: Do you know what that pronouncement was?

Mr. Dennis: I couldn't recall. Eight or nine years after, sir, I just couldn't.

Mr. Fortier: Did you as a publisher—were you a party to that disagreement between Mr. Betz and the managing editor. Were you involved in it at all?

Mr. Dennis: I can't recall, sir, no. I leave the operation of the news department to the managing editor.

Mr. Fortier: But you do recall that he resigned?

Mr. Dennis: Yes, sir.

Mr. Fortier: In the matter of staff, it has been suggested to our researchers that there was a very high incidence of turnover among your staff in Halifax. Would that be a fair statement?

Mr. Dennis: No, sir. I would think it would be safe to say that around 70 per cent of our

staff have been there over 10 years and I think the turnover in the editorial department is perhaps one of the lowest in Canada.

Mr. Fortier: Well, Mr. Dennis, in view of what has been said to us I wanted to ask the question.

Mr. Dennis: Well, Mr. Fortier, there have always been people that go on and there is always people who want to get out of the business to go into a new endeavour.

There are always people that want to come to Montreal and Toronto.

Mr. Fortier: Well, you have been to Montreal.

Mr. Dennis: Yes, I lived there for four years.

Mr. Fortier: And you studied at McGill?

Mr. Dennis: That's right, sir. I think I remember seeing you there.

Mr. Fortier: So do I now.

The Chairman: Well, on that note I believe there are a few other Senators who want to ask questions.

Mr. Fortier: Well, I was just getting to the Quebec coverage.

The Chairman: Well, if you would like to deal with that then we can turn away.

Mr. Fortier: I was very interested in having you put on record what your newspaper's policy is with respect to coverage of events happening in Quebec.

Mr. Dennis: You want me to reply on that?

Mr. Fortier: Yes.

Mr. Dennis: Would you mind if I go to my notes which I have prepared?

Mr. Fortier: You have prepared notes on that?

Mr. Dennis: Yes, I anticipated questions along this line.

Mr. Fortier: I thought you would. If you dealt with the Indians and the Negroes I thought you would deal with the French Canadians.

Mr. Dennis: We try and come as fully prepared as possible. Our attitude towards Quebec news coverage. The Committee places special emphasis on a newspaper's desire and

ability to report on the Quebec scene. Smaller papers have said that they rely on the ability of the Canadian Press to do an adequate job but they have covered themselves by stating that if they had sufficient resources they would open bureaus to report directly.

The larger papers like the *Toronto Telegram*, the *Toronto Globe and Mail*, the *Toronto Star*, I believe, have taken the position that they already maintain staff personnel in Quebec because they recognize the national interest in the Quebec story.

The attitude of the smaller paper does not appear to have satisfied some of you people here. There is a feeling that even the smaller papers should acquire interpretive articles written by Quebec writers if only to supplement the straight reporting function of CP. It might be worthwhile to advise the Committee that we make good use of Canadian Press coverage that comes from Quebec and regularly publishing such syndicated writers as Douglas Fisher, Senator Nichol, Dalton Camp who frequently deal with the Quebec situation.

Mr. Fortier: Not as Quebecers though.

Mr. Dennis: Not as Quebecers but just let me go on. We have from time to time acquired the writings of Walter O'Hearne a former who was with the "*Montreal Star*" but who has now passed on, and Gerald Clarke and others dealing specifically with affairs in Quebec.

Frequently we print articles from the Quebec press in our editorial pages and our off-edit pages. We have occasionally assigned bilingual reporters such as Jim Moore in Quebec to cover specific assignments dealing with constitutional questions and other matters.

We frequently receive interpretives from our Ottawa correspondent dealing with Quebec.

Now, may I go on to a letter which Mr. Moore—who was in covering the Liberal nominating convention in Quebec City last week. He wrote me personally a letter on his impressions, for me to use as background, of the Quebec situation as far as news coverage is concerned.

Mr. Fortier: Mr. Moore was covering this for your newspaper?

Mr. Dennis: For our newspaper, sir. Incidentally he says "the thought struck me"—

that is Mr. Moore—"when I was in Quebec the French Canadian who depends upon the French language press for news and information learns little of what is going on in the rest of Canada unless Quebec interests are directly involved. The French language papers, radio and television appear to concentrate exclusively on Quebec"—this is Mr. Moore—"except for the occasional attack upon Ottawa and big business in Ontario. Thus, they contribute to an inward looking tendency on the part of Quebec society in general. A tendency which partly explains why many French Canadians feel so insecure when they are outside Quebec. After all, they can't be expected to feel at home in regions about which they know virtually nothing."

Mr. Fortier: Well, assuming that this is the true reflection of the coverage of news by the Quebec Media emanating from areas outside the province, are you doing the very same thing in Nova Scotia with respect to feeding your citizens news from Nova Scotia principally rather than from other areas in Canada?

Mr. Dennis: Well, sir, I think we feed from all parts in Canada. We endeavour to do that to the best of our ability, sir.

Mr. Fortier: Have you ever had a report in the Province of Quebec?

Mr. Dennis: Not solely in the province, but Mr. Shea has gone there and Mr. Eric Dénys, our parliamentary representative here goes down there from time to time and I speak quite a few times there in the run of the year going throughout that charming province.

Mr. Fortier: Well, I suppose you would agree that there is more happening in Quebec today which is a threat to the unity of the country which you refer to in your opening remarks than there is in Prince Edward Island or Nova Scotia?

Mr. Dennis: Well, there is lots of talk about it, yes.

Mr. Fortier: Well, do you feel that there is a need amongst your readers for an informed opinion about what is happening in Quebec by a man working for you in the province?

Mr. Dennis: Well, Mr. Fortier, in other words what you are saying is, should we have a man there?

Mr. Fortier: Yes, that is my question.

Mr. Dennis: To answer it simply we have to have priorities in the newspaper business the same as any other business. I think you will agree with me on that.

Mr. Fortier: Fair enough.

Mr. Dennis: I would say that we are expanding at home and improving our coverage at home and provincially and we are using ourselves to the best of our financial ability and our ability to have more coverage from Quebec, from New Brunswick, more coverage from Prince Edward Island and more on the national scene across Canada.

We are endeavouring to do that to the best of our ability.

Mr. Fortier: And in your list of priorities having a man in Quebec is on the list?

Mr. Dennis: I have discussed it, sir. I discussed it last year but rising costs—they hold the implementation of that back for some time.

Senator Phillips: Have you or any of your staff been requested to submit an article to the Quebec papers on the Maritime viewpoint or to assist any reporter from a Quebec newspaper to write on the Maritimes?

Mr. Shea: Yes indeed, whenever they are asked.

Senator Phillips: How often are you asked to have you or any member of your paper submitted articles to the Quebec reporters?

Mr. Shea: Not recently, sir. There was a time, not so long ago when there was a very strong tendency for our staffers to write for other newspapers and particularly in Quebec.

Senator Phillips: Essentially I wanted to remind Mr. Fortier that it was a two-way street.

Mr. Shea: Oh indeed, yes.

The Chairman: Well, I think you have reminded us, Senator Phillips, but I think Mr. Innis perhaps reminded us more effectively with the comment from his correspondent. So I think his point is a valid one but I think the point that Mr. Fortier raised should have been raised and was quite properly raised.

Senator Sparrow: Mr. Fortier referred to the article by Bagnell and if I might just quote—I assume you are familiar with it—Bagnell quotes Arnie Patterson as having

said, "In the 12 years in which Robert Stanfield was premier there wasn't one word of criticism of his administration in the Halifax papers but it was that way even before Nova Scotia turned conservative with Stanfield. While Henry Hicks was premier he too was the apple of their eye."

That final quote was by Bagnell himself. First of all I am asking the question if you agree with that statement or quotation. And if it is true, it is very unusual. As a social service newspaper must there certainly not be some area in which provincial government or premiers as such would deserve probably some criticism on the policy of government. Would you like to comment on that?

The Chairman: Whether they are Liberal or conservative?

Senator Sparrow: Yes.

The Chairman: I think that is important.

Senator Sparrow: Both.

Mr. Dennis: Senator Sparrow, I can remember saying to both the Honourable H. D. Hicks when he was Premier of Nova Scotia and again to the Honourable R. L. Stanfield when he was Premier of Nova Scotia that the *Chronicle-Herald* and the *Mail-Star* would give their Government independent support but if there was need of criticism we would not hesitate to criticize or publish anything which had basis of fact.

Senator Sparrow: In 12 years there was no basis of fact for criticism. It is that what you are saying?

Mr. Daley: Well, that is what Arnie Patterson says.

The Chairman: You deny that statement?

Mr. Daley: Well, the point is, that you know without going through the papers it would be pretty hard to say but I would find that pretty hard to believe.

The Chairman: What about Mr. Bagnell's own statement that you never criticized Henry Hicks.

Mr. Dennis: I think at times if there was anything to criticize, we criticized him.

Mr. Daley: I would think that also.

The Chairman: Well, it is interesting to have your comments on record.

Senator Sparrow: It would appear from the statement that this is the crux of the matter really. Is there any indication of suppression of news?

Mr. Dennis: Absolutely not, sir. If there is I would like to know about it, sir.

Mr. Daley: Well, general statements like that are easy to make and hard to disprove. I would find that impossible to believe. Certainly there would have been no calculated decision.

We certainly have decided that we will support the government in power so long as they are doing a good job and we do not criticize them for the mere purpose of being critical. We certainly reserve our right to criticize and I would be amazed if there wasn't any criticism aimed at the Stanfield Government and the Hicks Government.

As far as I know, certainly we have criticized the Smith Government.

The Chairman: I think it is important to the Committee—as you appreciate we have these quotes on record and therefore we have to have your comments on them. I would therefore like to ask you about another quote that we have but perhaps I may preface my remarks by saying—you are familiar with the publication, Mr. Dennis, the *Fourth Estate*?

Mr. Dennis: Right.

The Chairman: Have you read it?

Mr. Dennis: Yes, sir.

The Chairman: Do you read it regularly?

Mr. Dennis: I don't read all papers, sir, but I must say that I see it from time to time and I read it, yes. I have people on the staff who read it and tell me about anything that is there, yes.

The Chairman: What is your opinion of it?

Mr. Dennis: Well, sir, it is a free country.

The Chairman: Well, the *Fourth Estate*—and I put this question more in the same spirit that I am sure Senator Sparrow brought up his quote. The recent issue of the *Fourth Estate* refers to and I quote, "censorship of writers on the staff of the *Chronicle Herald*"—and is there any such censorship of writers?

Mr. Dennis: I am unaware of it, sir.

The Chairman: You feel certain then that we ask the *Fourth Estate* people to give some documentation of this censorship of writers—which is a very serious charge by the way—that you would be satisfied that they couldn't provide it?

Mr. Daley: Well, sir, I believe we can refute any such suggestion.

The Chairman: Well, again, in the spirit of having that on the record, I believe it is important.

Mr. Daley: May I just elaborate for a moment on that.

The Chairman: Yes, certainly.

Mr. Daley: We certainly do not print libelous or seditious news. Now, if that is suppression of the news, then, we are guilty.

The Chairman: And those judgments are made by you?

Mr. Daley: Not by myself necessarily, but by members of my firm.

Senator Sparrow: Would K.C. Irving or the K.C. Irving interests have any interest in your publications in anyway, shape or form?

Mr. Dennis: Well, Senator Sparrow, I filed some documents with you. Mr. Bassett of the *"Toronto Telegram"* has said "Who owns the *"Halifax-Herald"*?" before this Committee. He said, "Who owns the Sydney paper, and the Newfoundland paper?" and again today in my brief to you, sir, I said this paper had belonged to my family for three generations, sir.

Mr. Daley: Still, I believe you should answer that directly. Mr. Irving has no interest whatever.

Senator Prowse: Well, there is a *Fourth Estate* story here which no doubt you are aware...

The Chairman: Well, I am not aware of it.

Senator Prowse: Which says that CHNS we had this before and we had this when Mr. Irving was here. However, I think as you said, this is a question that has been here before and I think particularly when Mr. Daley has suggested that he held it in trust for something...

Mr. Daley: That's right.

Mr. Fortier: Who are the shareholders of the Halifax-Herald Limited?

Mr. Dennis: Myself, my sister, not directly her name but in a holding company on her behalf and Mr. L. F. Daley.

Mr. Fortier: Could you give us the percentages of the shareholdings?

Mr. Dennis: I have personally 65 per cent of the Herald shares, sir.

Mr. Fortier: Are these common shares?

Mr. Dennis: Yes, sir.

Mr. Fortier: 65 per cent?

Mr. Dennis: Yes.

Mr. Fortier: And the trust?

Mr. Dennis: The trust for, my sister holds 35 per cent.

Mr. Fortier: Mr. Daley?

Mr. Dennis: Mr. Daley—10 per cent.

Mr. Fortier: Are there presently any preference shares?

Mr. Daley: There are some preference shares that are issued from time to time as a stock dividend and then redeemed.

Mr. Fortier: Are there presently any pre-empt shares outstanding?

Mr. Daley: There may be. Well, we are just in the process—but I don't know whether they have been issued yet or not.

Mr. Fortier: Well, if they are issued in the form of stock dividends they would be issued to either one of these three shareholders?

Mr. Daley: That is correct, yes.

Mr. Fortier: You say that your sister's shares are held by a trust?

Mr. Dennis: A holding company.

Mr. Fortier: Mr. Daley, if I can ask you this question. Are your shares held in your own name or are they held in the name of a holding company?

Mr. Daley: They are in the name of the holding company, Gravehurst Investments Limited which I am the beneficial owner of of all the shares.

Mr. Fortier: You are the sole shareholder of this holding company?

Mr. Daley: I am a shareholder—I am the sole beneficial holder, yes. My wife and my daughter hold one share each.

Mr. Fortier: So that you own the shares in your own right?

Mr. Daley: That's right.

Mr. Fortier: Not on behalf of anyone?

Mr. Daley: No.

Mr. Fortier: Does the Halifax-Herald Limited have other investments besides those physical premises where the newspapers are published?

Mr. Dennis: Our holding company owns the Argyle Garage.

Mr. Fortier: Well, any other interests in the field of media?

Mr. Dennis: No.

Mr. Fortier: No radio stations?

Mr. Dennis: No, sir.

Mr. Fortier: Television?

Mr. Dennis: No, sir.

Mr. Fortier: Television?

Mr. Dennis: No, sir.

Senator Sparrow: I will move on to a new subject, perhaps someone has a supplementary question?

The Chairman: Are there any other supplementary questions on the control and ownership and so on?

Senator McElman: Yes. I just have one, Mr. Chairman. Going back away, Mr. Daley, you were the president of the New Brunswick Broadcasting, I believe?

Mr. Daley: That is correct, sir, yes.

Senator McElman: Are you any longer associated with that company?

Mr. Daley: No, not since last March.

Senator McElman: Last March?

Mr. Daley: Right.

Senator McElman: When the hearings of the CRTC were held in Moncton, I believe September of 1968 you appeared in your capacity as president of the New Brunswick Broadcasting?

Mr. Daley: Right.

Senator McElman: What holdings did New Brunswick Broadcasting have at that time? Was it the CHSJ-Television, CHSJ Radio in Saint John?

Mr. Daley: That is correct.

Senator McElman: But there were no others?

Mr. Daley: No.

Senator McElman: Now, I am dealing from memory, so please correct me if I stray at all. The newspaper reports of that hearing indicated that the members of the Commission queried you as to whether there was in the corporate structure in which you were involved—any relationship with I believe CHNS and I believe they mentioned the *Halifax Herald* as well?

Mr. Daley: Right.

Senator McElman: And the "*Fredericton Gleaner*"?

Mr. Daley: Right.

Senator McElman: You replied that there was none. Is that correct?

Mr. Daley: I think that is—I don't know whether I said none or none of which I am aware. I didn't have any intimate knowledge whatsoever.

Senator McElman: Well, this is the point I am getting to. The testimony that you gave to the CRTC at that time was rather explicit in that there was no connection of the whole operation with the "*Fredericton Gleaner*". It was totally outside. The testimony just taken here at these hearings has showed that at that very time there was in fact an arrangement whereby financial control of the *Fredericton Gleaner* had been acquired.

Mr. Daley: At that time?

Senator McElman: Yes, in September of 1968.

Mr. Daley: Well, if that is so, I certainly was not aware of it at the time.

Senator McElman: Well, the point I am getting to is that in that circumstance, I can understand where you would not have knowledge of this.

Mr. Daley: That's right.

Senator McElman: What I wanted to get on the record is here with CHNS and the "*Chronicle-Herald Mail-Star*"—the whole bit of wax—that you are in a position and have absolute knowledge and there could be an accident of testimony.

Mr. Daley: Well, Senator, that is quite correct. I have absolute knowledge and I made it very clear. As a matter of fact I wrote the Chairman of the CRTC following that hearing, just in case I couldn't recall exactly how I answered that question, to qualify my answer with regard to the "*Fredericton Gleaner*" but there is no equivocation whatsoever with respect to the *Halifax Herald* because I do have personal knowledge of that.

Senator McElman: It is because of that, sir, that I want it on the record here. Because of the various implications and rumours that have been publicly reported.

Mr. Daley: And which have been consistently denied by myself on many occasions before the Board of Broadcast Governors and so on. But for some strange reason...

Senator Prowse: It doesn't get the publicity that you would like it to get.

Mr. Daley: It doesn't get the publicity but there are still people who like to circulate that rumour.

Senator Sparrow: Has your paper taken stand on the union of the Maritimes?

Mr. Dennis: Yes, sir.

Senator Sparrow: In what regard?

Mr. Dennis: We have said that all avenues of co-operation should be explored before the final move should be adopted.

Senator Sparrow: So, one way or the other you have not made a decision?

Mr. Dennis: Well, we have also said that we feel the loss of identity of the provinces is not necessary. I think that we can and should co-operate for the benefit of the Atlantic Provinces.

Mr. Daley: I think, it would be fair to say that we have not supported the idea.

The Chairman: May I ask you which weekend paper you carry? "*The Canadian Weekend*"?

Mr. Dennis: We don't, sir.

The Chairman: Why not?

Mr. Dennis: Well, it is because...

The Chairman: I say why, I don't say it intelligently but the mere fact is that almost every other paper in Canada does, why don't you?

Mr. Dennis: Sir, because of the terrific delivery problem we have in the Province of Nova Scotia.

The Chairman: Well, you mentioned four Nova Scotia papers. Do they carry a rotogravure section?

Mr. Dennis: Yes, sir. The "*Sydney Post*" does.

The Chairman: Only Sydney does?

Mr. Dennis: I believe that is correct.

The Chairman: And presumably wouldn't they have the same delivery problems?

Mr. Dennis: No, sir, not to the same extent. About 45,000 of our papers go out of Halifax every day. Two-thirds of their circulation is in industrial Cape Breton and one-third is in the rural sections. Ours is spread all over the Province of Nova Scotia.

The Chairman: That is in the morning paper, but why could you not carry a weekend paper in the evening paper?

Mr. Dennis: May I make a remark on that, sir?

The Chairman: Oh, of course.

Mr. Dennis: Personally I felt that if we got national advertising we should get it ourselves and get paid for it.

The Chairman: Well, I would like to ask you about that. Your so-called conversion policy. Could you explain that please?

Mr. Dennis: Yes.

The Chairman: I assume it is very profitable and I would like you to explain what the conversion method is?

Mr. Mounce: It is an agency which is converted from the "*Weekend*"—whatever one is talking about, the advertising agency, will convert that from their paper to ours at the national rate.

The Chairman: Which is very profitable for you, then?

Mr. Mounce: No more profitable than an ordinary national ad.

The Chairman: Now, it is more profitable than carrying one of the weekend papers?

Mr. Mounce: Well, I couldn't answer that, sir.

The Chairman: Well, you must think it is or you would carry one of the weekend papers?

Mr. Dennis: Senator Davey, you have been in the advertising business?

The Chairman: A little bit.

Mr. Dennis: Yes, sir. I will just ask you this. I remember my father when he was alive and when Mr. Daley's father was alive we made up our mind that we would handle national advertising. We would have it in our paper and not have a rotogravure. I think, sir, that the loss of national advertising in our paper—the decline as compared to the national average, in the last three years has been less in our paper because we didn't have a weekend supplement. It is purely a question of policy.

The Chairman: Do the weekend sections attempt to circulate in Halifax?

Mr. Dennis: Yes, sir.

The Chairman: How?

Mr. Dennis: Through stores and carriers.

Mr. Daley: Both.

The Chairman: I have only one question and that is regarding your Ottawa coverage. On page 13 you say "We maintain a full-time bureau in Ottawa and engage and invite many Canadian writers to prepare articles for us on a wide range of subjects". I am particularly interested in the Ottawa coverage. Is your Ottawa coverage on the average as extensive as the Ottawa coverage of let us say the daily papers in Toronto or in Montreal?

Mr. Dennis: Well, may I answer you this way, sir. Our market is very small. We have to judge everything and how much we can spend on priorities. It is a case of priorities. We endeavour to take the Canadian Press and supplement it.

The Chairman: Well, that really wasn't the question. I meant more on a percentage basis. In other words, how would you compare the

coverage in your newspaper of Ottawa on a percentage basis. I am not talking now about quality, I am talking about quantity. How would you compare it with—well, let's take two examples, let's say the "*Montreal Star*" and the "*Toronto Star*"?

Mr. Dennis: Coverage that gets into the paper?

The Chairman: Yes. In other words you describe your Ottawa coverage as extensive.

Mr. Dennis: Well, I would say that it is as extensive as any paper of our size and more extensive than any other paper in the Maritimes.

The Chairman: Well, what would be another paper of your size in Canada just off the top of your head?

Mr. Dennis: Well, *The London Free Press*.

The Chairman: Well, that is a good example because we have had them here this week. Would you in your judgment have as much Ottawa coverage as the *London Free Press* does?

Mr. Dennis: Yes, I would say so.

Mr. Shea: As a matter of fact I would say more.

The Chairman: You have more Ottawa coverage than the *London Free Press*?

Mr. Shea: I would say that we have more staff written Ottawa coverage than *London Free Press*.

The Chairman: Well, just Ottawa coverage generally.

Mr. Shea: I would say so, yes. Mind you, I have never measured. I would calculate that as so because I was the Ottawa correspondent for some years...

The Chairman: Yes, I am aware of that.

Mr. Shea: And the *London Free Press* correspondent is a very close friend of mine and I am reasonably sure that I wrote him line for line each day and I am reasonably sure today that Eric Dennis does.

The Chairman: Well, you don't agree with the people that argue that outside of what is sometimes called the Toronto-Montreal-Ottawa triangle, that as you proceed from that triangle there is less coverage of what is happening in Ottawa?

Mr. Shea: I don't think that is the case in the Maritimes.

Mr. Dennis: When my father was in the Senate, he always maintained one of the greatest body of news-making people in Canada was the Senate of which you people are members.

Senator Prowse: Well, things have changed.

Mr. Dennis: We were one of the first papers in Canada to insist on coverage of the Senate and we try and endeavour to do it today. I think it is an important part in the system of Parliament in this country.

The Chairman: Thank you. I think Senator McElman has the last series of questions for you. You have been very patient. I apologize for I didn't realize it is lunch hour ..

Mr. Dennis: It is all right.

Senator Prowse: You mean it was lunch hour.

Senator McElman: I take it, Mr. Dennis, that you don't join those who want to abolish us?

Mr. Dennis: No, sir, I think you have a very important part to play.

Senator McElman: Well, I was only being facetious.

Mr. Dennis: A sober body of second thought as my father used to say.

Senator McElman: Our researchers tell us that in the Maritimes, major city newspaper salaries are on an average of 25 per cent below those of the Toronto Guild salaries.

First of all do you believe this to be the case and what would be the reasons for it?

Mr. Dennis: Sir, I would say that the remuneration on our paper—I am not talking about other papers because I don't know anything about them. I would say the remuneration on our paper is better than anything in the Maritimes and would compare favourably with any in Canada today east of Winnipeg. I don't know too much about the Western papers.

Senator McElman: Well, the comparison was made by those covered by the Toronto Guild.

Mr. Dennis: Well, I would rather not mention figures but I don't think we are too far short of it.

Mr. Shea: I am not actually aware what the Toronto Guild pays so I don't know. But I do know—in a general way I can answer it this way. I think you can count on the fingers of one hand the number of people who leave our paper and come to the Toronto area for salary reasons.

Now, they may go for other reasons, Toronto is a larger city, it is more cosmopolitan, and has a team in the National Hockey League and things of that kind.

Senator McElman: I can't understand why anyone would want to leave the Maritimes by itself.

Senator Prowse: It might even cost more to live there.

Mr. Shea: Indeed it does. Mind you it is due to say that years ago there was a substantial difference. There was a substantial difference between the salaries paid in the Maritimes and the Toronto market. I do not think that is any longer the case. The gap has narrowed to the point where in most cases it would not be too beneficial for a man to leave Nova Scotia to go to Toronto.

This is of course considering all the other factors involved.

Senator McElman: At page 2 of your brief you say the following:

"Whether the concentration of ownership is essentially desirable depends entirely"—and I emphasize the word—"on the product and the kind of people involved in the ownership and management. If such people are responsible, independent and fair, concentration of ownership is not a significant matter."

Now, the words "entirely" and "significant" are the elements of this that have struck me. Is there no point at which—and I ask you as a man who has expressed real pride and justified pride in the fact that you are a family owned ferociously independent from the standpoint of a newspaper—is there no point...

Mr. Dennis: Well, let me answer you this way. I would say that during our history...

Senator McElman: Well, just let me put it another way. We have had testimony in the last few days that there are now three predominant chains in Canada which have, I guess it is getting close to 50 per cent of the circulation and we have had various opinions. One that I recall was that it might be more

desirable if there were four and another was that he would become deeply concerned—and this was from one of the big chains—he would become deeply concerned if there were only two.

In view of the strength of your statement, could you tell us, sir, if there is not some limit at which you would become concerned?

Mr. Dennis: Senator, my answer to you is this. May I get back to apples which I know quite a bit about. We were talking about apples yesterday. And if you allow me I will be facetious for a moment, sir. I think the product, sir, is the end result. I think that is what the people—the majority of people—want to buy a newspaper for; what is on its pages, and what kind of a job it does day in and day out.

Personally, I feel independent ownership is their best bet at this time. Personally I think that I was brought up to that and I will endeavour to keep it that way to the best of my ability.

However, I would regret to see communities lose their local voice which a newspaper should be and I think it should be kept within the province, personally. Maybe the tax laws and the White Paper and all of this will make the laws—not only the newspapers but we appraise the whole business situation and it affects every business and every economic operation in this country.

Senator McElman: Well, let me put it in another way. I know that you have no interest in doing this, but let us just say that your corporation owned all of the daily newspapers in Nova Scotia. Do you think it would depend entirely on the product and the people involved and that this would not be a significant matter?

Mr. Dennis: Sir, I have never given that any thought.

Senator McElman: Would you give it some thought?

Mr. Dennis: Would I?

Senator McElman: Yes.

Mr. Dennis: I would like to think that Nova Scotians owned their own newspapers, sir.

Senator McElman: Well, that is not the point really.

The Chairman: Well, I don't think in fairness that he understood your question. He

was not suggesting that you should attempt to acquire all the papers. He was saying that if someone did, would that be a healthy situation?

Mr. Dennis: If you are a responsible person, sir, and you live in a community, and if you were born in that community, educated in that community, with the exception of four years away and you lived there and you worked there and you associated with people, personally I think in the end product you are a responsible citizen.

I can't see anything wrong with a provincial chain or a cross-Canada chain personally. It is a distinction with very little difference.

Senator McElman: Excuse me, I know you are not trying to avoid my question...

Mr. Dennis: No, I am not.

Senator McElman: But my question is: if the Herald or any other entity owned all the daily newspapers in Nova Scotia, would this be a good thing?

Mr. Dennis: I don't know.

The Chairman: Well, I think Mr. Dennis has given us the answer; he says he doesn't know. Therefore you don't necessarily think it would be a bad thing?

Mr. Dennis: No.

The Chairman: You don't necessarily think it would be a bad thing?

Mr. Dennis: That's right.

Senator Prowse: Now, you are going the other way. He said he didn't know, now if you are going to leave it that he didn't know that is one thing and you can draw any conclusion you want.

The Chairman: Well, I am asking if he thinks it would be a bad thing?

Mr. Daley: Well, if I may interject, I believe Mr. Dennis answered that question. Given all these prerequisites of responsibility and directives and so on, he has answered by saying that if the end product is good it is not necessarily a bad thing, at least; that is my understanding of what he said.

The Chairman: Well, it is Senator McElman's question and I am sure he is going to follow it up so let's return to him.

Senator McElman: On the basis of your quotation here, Mr. Dennis, let us say that in

Nova Scotia there were a conglomerate which had massive interests, 95 per cent of which were not in the media field and they owned all English language daily newspapers in Nova Scotia. What would your view of this sort of an arrangement be?

Mr. Dennis: Well, first of all, Senator, think anyone should be entitled to own newspaper—any individual or group of people or any business. Newspapers are entirely different than radios because those are public airways.

I would think that if it was a Nova Scotia and interested in Nova Scotia I can't see anything wrong with it if they do a good job.

Senator McElman: Well, let me carry it or step further then. Dosco had its great interest in Sydney which affected the economy of Nova Scotia to a tremendous extent.

Mr. Dennis: That's right, sir.

Senator McElman: To such an extent that when they suggested that they were to pull out, the government moved in and it became a government owned and operated organization. They have established its importance, believe for Nova Scotia?

Mr. Dennis: Yes.

Senator McElman: Let us cast ourselves back to the time when Dosco owned—they are the owners and we take ourselves back to the time when they were the proprietors with their thousands of employees and their great effect on the economy.

Would it have been a good thing for Nova Scotia if Dosco would have owned all of the daily newspapers in Nova Scotia?

Let me carry it a bit further so we can get it right to a case. At the time that they announced that they were going to close down, would it have been a good thing for Nova Scotia?

Mr. Dennis: Senator, if you run a newspaper—personally, if you have any conscience about a newspaper, you have to let the news speak for itself.

Senator McElman: That's right.

Senator Dennis: I have always felt that an entity should stand by itself. I don't think a businessman should interfere with another. I would much rather see a conglomerate owned in Nova Scotia than I would outside of the Maritimes or outside of the Province of Nova Scotia.

Senator McElman: Would you have rather seen Dosco own all English language newspapers in the Province of Nova Scotia—in the special circumstances of Dosco that we are all familiar with—would you have rather seen Dosco own all the daily newspapers than FP publications?

Mr. Dennis: Well, I would rather not make distinction but let me put it to you this way.

Senator McElman: Well, any of the existing chains?

Mr. Dennis: I would rather see a conglomerate in this situation have newspapers or allow us to have newspapers than have no newspapers.

The Chairman: Well, with respect, Mr. Dennis—I don't think we want to carry this endlessly but I don't think that really was the question.

The question is who would you have preferred to see own all of the newspapers in Nova Scotia? Dosco or one of the existing newspaper chains?

Mr. Dennis: I don't know.

Mr. Daley: I think probably we would rather see FP publications.

Mr. Dennis: Or the Southam people.

Senator McElman: Or any other of the existing chains?

Mr. Dennis: Yes.

Mr. Daley: Well, Dosco was also owned outside of the province and that was one of the problems.

Senator Prowse: We had a witness before the Committee who told us that in Italy for example, the procedure is there that nearly every big business interest—and they have to big international corporations coming in as well as their big corporations—that one of the things they are tending to do there is to immediately try to acquire the newspaper and then they bludgeon the government because the government is too involved in so many of their business operations.

He said that this of course becomes a pretty serious threat to a free press in terms of giving the people who live in the community because the paper then becomes the instrument of the corporation.

Now, let us take the question out of a particular context which may have appeared to you and let's deal with the principle which I think we have to deal with, and that is do you really think that if we are going to have newspapers today, that if we are going to have chains which we have, is there an inherent danger to the interest of the public in the ownership of the news media by the big conglomerates and particularly I have in mind the super national conglomerates that are developing today.

Now, could you answer that question without being put perhaps in a difficult personal position?

Senator McElman: Well, I am sorry. Before you do, surely there was no inference that I was trying to put the witness in a difficult personal position.

Senator Prowse: I don't suggest you were trying to put anybody in a difficult personal position. It occurred to me that the witnesses might have felt that they were being asked to comment on a situation which pretty obviously applied to somebody who is very close to where they do business now and my question was to take it out of any possible suggestion that this was what was going on and put it in such a way where we are dealing with a principle and not with a particular case.

No reflection on you or your question or anything else.

Senator McElman: Thank you.

Mr. Daley: I think that potentially there are hazards in the situation which you described, Senator. I think there are potential hazards in any newspaper. It gets down really to the integrity, responsibility and so on.

Now, whether perhaps in the situation you mentioned the hazards are greater—they may well be. And certainly in the situation you mentioned with regard to Italy that they are acquiring newspapers for that specific purpose there can be no question that that can't be a good thing.

Senator Prowse: The hazard exists from the fact that in Italy you had a situation and you have a clear cut case where a person owns a paper for a particular purpose. We will all agree on that.

Now, the situation that concerns us is where because of the diversity of a person's interests, the possible conflict could arise between his sense of responsibility as a responsible publisher and his sense of duty to

the public on the one hand and his sense of duty to himself as an aggressive and responsible entrepreneur on another in a different area.

Mr. Dennis: First of all, I was born in the newspaper business. I would like to think, sir, that a newspaper and the men associated with the publisher of a newspaper would have the social conscience to let the newspaper decide what it should do, sir.

Senator Prowse: Yes, but I am not talking about you, Mr. Dennis, or men like you who have a family tradition. I am talking about a corporation that has a hired ownership which is going to move from day to day and has no sense of responsibility except to a balance sheet.

Do you follow me?

Mr. Daley: Yes, I do.

Senator Prowse: This is something that I think that has to concern us at this stage. Your opinion could be very helpful to us.

Mr. Dennis: Well, I feel sir, that a newspaper should be owned—like I do—owned by a publisher who works at it.

I would prefer that but because of the financial position of the day, gentlemen, the costly operations, the cost of freight rates, news print, the postal rates, the tax laws, the future White Paper, technological improvements, may I say to you that I would hate to think that it would have to come to that. It may be the only salvation to the newspaper industry...

The Chairman: May I ask you immediately and at once and you refer to this constantly, Mr. Dennis, and I believe it is a very important question.

You seem to imply repeatedly that the economic climate, as you have described it, is the sole reason for concentration in the newspaper industry. Do you believe that?

Mr. Dennis: Yes.

The Chairman: You don't think you are interested in making a profit? You don't think that the profit motive has something to do with the accumulation of newspaper chains?

Mr. Dennis: Definitely.

The Chairman: I just wanted to get that on the record.

Mr. Daley: I think one of the things that enables the chains to emerge is the economic climate for the independent and the tax climate.

Senator McElman: On page 12 of your brief, you give a list of those occasions when important events in 1969 which you had staffers covering outside the province and the first item on that list—I am sure because of the importance of the area—was that your staff covered the entire session of the New Brunswick legislature in Fredericton.

Mr. Dennis: Yes.

Senator McElman: How many staffers do you have there?

Mr. Dennis: In Fredericton?

Senator McElman: Yes.

Mr. Shea: For the first couple of weeks, Senator, one of our staff covered. I think perhaps the first 10 days. He came back to Nova Scotia, then another who I personally know—I went myself as a matter of fact to the rest of the session.

We had one man there at all times.

Senator McElman: Who was the other man?

Mr. Shea: Robert Smith.

Senator McElman: Was that the Premier's son?

Mr. Shea: That's right, sir, yes.

Senator McElman: Could I ask—do you think it was a good judgement? Now, I know the young man and I have great feeling for him but do you think it was good judgement?

Mr. Shea: To assign him to cover the Legislature?

Senator McElman: Yes.

Mr. Shea: Yes, I do. May I just get very personal for a moment and explain it. Mr. Smith happens to be a very, very good newspaper reporter.

Senator McElman: I agree.

Mr. Shea: He loves to cover politics and we have been reluctant to permit him to cover politics within our paper because of the fact that he is the Premier's son. As a second thing—we couldn't allow him to cover politics in Nova Scotia so we allowed him to cover it elsewhere. So he went to New Brunswick and

that reason. In all the years that I have known Rob Smith and that is going back quite a ways and in all of the copy that I have seen him write, I never, even to this day, I have never seen one single example of a Rob Smith piece of copy which was slanted one way or the other because he happened to be the Premier's son. He is a very fair and very rational gentleman.

Senator McElman: Well, let me say at once that I agree with that entirely. But in your judgment he should not cover the Nova Scotia legislature?

Mr. Shea: No, I didn't say that. We had decided not to use him on politics because we didn't want to injure him.

Senator McElman: Well, this is the same standpoint on which I am approaching it.

Mr. Shea: I see. Whether it was good judgment to send him to New Brunswick or not—I would say, yes. I would do it again tomorrow if he were on the staff. He works for a rival paper at the moment.

Rob Smith is a very capable reporter and so that I am sure that anyone in public life would say is an unbiased reporter.

Senator McElman: Well, in the context of your paper not circulating largely in New Brunswick and the members of the legislature not knowing Rob as well as you and I do and not consequently being able to have a very strong respect for him, would you not agree that he would be suspect?

Mr. Shea: Well, I think he always is suspect because of the fact that he is the Premier's

son. It comes back to the fact that I think he has shown in every single story that I can recall that he has ever written that he is totally unbiased.

Mr. Dennis: Senator McElman, I think if we were wise not to allow him to cover provincial politics or on a local level—but I still don't think that he should be penalized extensively because he is the son of a man like that. His integrity I do not question. As far as I am concerned he is an able and honest . .

The Chairman: You will agree, Mr. Dennis that Senator McElman didn't question that at all?

Mr. Dennis: No, I know. Personally, I am just saying that we removed him from the political situation which he personally understood. I don't think he should be penalized excessively because he is the son of the premier.

Senator McElman: Neither do I, sir.

Mr. Dennis: Well, that is all I say. I don't think it did any harm at all.

Senator McElman: Well, there are other questions I would have liked to have asked but the time has gone on and I shall end here.

The Chairman: The time has indeed gone on and it has been a long session. I apologize to the gentlemen from Halifax. But I say to you, Mr. Dennis, that it is an indication of our interest that this hearing has gone on so long. It has been interesting and very helpful.

Thank you very much.

The Committee adjourned.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

LIBRARY

No. 13

TUESDAY, JANUARY 27, 1970

WITNESSES:

Southam Press Limited: Mr. St. Clair Balfour, President and Director; Mr. Gordon N. Fisher, Vice-President and Managing Director; Mr. R. Ross Munro, Director, Southam Press Limited, Vice-President and Publisher, *The Edmonton Journal*.

The Calgary Herald: Mr. Frank G. Swanson, Publisher; Mr. Richard L. Sanburn, Editor-in-Chief.

The Vancouver Province: Mr. Fred Auger, Publisher; Mr. Patrick Sherman, Editor.

The Hamilton Spectator: Mr. T. E. Nichols, Vice-President and Publisher; Mr. Gordon Bullock, Managing Editor.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, *Chairman*

The Honourable L. P. Beaubien, *Deputy Chairman*

Beaubien
Bélisle
Bourque
Davey
Everett

Hays
Langlois
Macdonald (*Cape Breton*)
McElman
Petten

Phillips (*Prince*)
Prowse
Smith
Sparrow
Willis

(15 members)

Quorum 5

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

"With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative, on division.”

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

TUESDAY, January 27, 1970.
(13)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (*Chairman*); Beaubien, Everett, Hays, McElman, Petten, Prowse, Smith and Sparrow. (9)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. St. Clair Balfour, President and Director, Southam Press Limited;
Mr. Gordon N. Fisher, Vice-President and Managing Director, Southam Press Limited;

Mr. Robert Ross Munro, Vice-President and Publisher, The Edmonton Journal.

At 1.05 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (*Chairman*); Beaubien, Everett, Hays, McElman, Petten, Prowse, Smith and Sparrow. (9)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. St. Clair Balfour, President and Director, Southam Press Limited;
Mr. Gordon N. Fisher, Vice-President and Managing Director, Southam Press Limited;

Mr. Robert Ross Munro, Vice-President and Publisher, The Edmonton Journal;

Mr. Frank G. Swanson, Publisher, The Calgary Herald and Vice-President, Southam Press Limited;

Mr. Richard L. Sanburn, Editor-in-Chief, The Calgary Herald;

Mr. Fred Auger, Publisher, The Vancouver Province;

Mr. Patrick Sherman, Editor, The Vancouver Province;

Mr. T. E. Nichols, Vice-President and Publisher, The Hamilton Spectator.

Mr. Gordon Bullock, Managing Editor, The Hamilton Spectator.

At 6.40 p.m. the Committee adjourned to Wednesday, January 28, 1970, at 2.30 p.m.

ATTEST.

Denis Bouffard,
Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA EVIDENCE

Ottawa, Tuesday, January 27, 1970

The Special Senate Committee on Mass Media met this day at 10.00 a.m.

Senator Keith Davey (Chairman) in the Chair

The Chairman: Honourable senators, if I may call the meeting to order.

Mr. Balfour, before we tend to deal with the Southam presentation, I have several announcements which are very brief and to the point. First of all, I would like, for the benefit of the senators and others, to indicate the nature of our schedule this week to make sure everyone is clear. We have Southam press this morning. The *Calgary Herald* at 20 p.m., the *Vancouver Province* at 3.30 p.m. and the *Hamilton Spectator* at 4.30 p.m. Will the members of the committee also please note that tonight at 8.15 p.m. we will be meeting in camera at 140 Wellington Street. I hope all who can will attend.

The schedule for tomorrow, Wednesday, at 20 p.m. the *Montreal Star*. Eight o'clock tomorrow night Senator Allister Grosart and at nine o'clock tomorrow, Wednesday, Earl J. Battie, Professor of Journalism, University of Western Ontario.

Then on Thursday at 10 a.m. the Canadian Society of Professional Journalists, and at 2.30 p.m., the Just Society Movement and at 4 o'clock Donald Cameron, editor of *The Mysterious East*, then Friday, January 30 at 10 a.m. the *Toronto Star*.

The second announcement is in connection with a CBC program which is on this coming Thursday night on the state of journalism. We noticed several references to our participation in various weekend papers.

The entertainment section of the *Telegraph Journal* and the *Evening Times Globe* for this past Saturday made reference and I quote:

"The confrontation between some members of the Senate committee on the Mass Media and some members of the CRTC"

and reports special situations and reactions of the press and so on.

Again in the *Toronto Telegram*, *Television Guide* on January 23, I quote there:

"An added feature planned for Thursday night is a confrontation between members of the CRTC and Senator Keith Davey's Senate Committee on Mass Media."

"Because of these and other references I should read into the record a letter I sent to the CBC research person who has been in contact with us. I wrote her as follows on the 23rd of January.

"I am sorry we are unable to appear on the Media program which is planned for next Thursday evening. At the moment our Committee and most of its members are working almost literally on an around the clock basis. This weekend, for example, I intend to re-study all the briefs of those publishers who will appear before us this week.

This involves, as I am sure you appreciate, an enormous amount of preparation. The work of the committee has already attracted a great deal of public attention. The national coverage, while not exhaustive, has certainly been thorough. There is perhaps little we could usefully add at this time that would not be repetitive. Certainly it is not possible to make definitive comments or suggestions while the hearing phase of our study is still in progress."

Also for the record, senators, Douglas Fisher in a column in the *Toronto Telegram* on Friday—it may have appeared in others but I saw it in the *Toronto Telegram*—began as follows, and I quote him:

"The Senate committee on the media sat for nearly nine hours yesterday. Don't feel sorry for the 15 members of the committee. No more than six were there at any one time; the average was four".

For the record in fact it would not be possible for our average number of senators to be

four because, of course, a quorum is five. At no time during the hearings in the past or in the future will there be fewer than five senators present.

Still for the record I have two telegrams I would like to read which we have received. The first is from Mr. D. B. Scott, editor of *The Gazette*, University of Western Ontario, London.

He says, and I quote:

"As much as we are flattered by Mr. Blackburn's comments regarding *The Gazette's* position of competition to the *Free Press* in London, some reply is necessary. The *Free Press* Holdings do have a virtual strangle hold on information processing and dissemination in London. *The Gazette* with a small and controlled circulation can only publish that which the *Free Press* refuses to publish. We are in the business of communicating student news to the students with some comment on the community. We do not Repeat, we do not—in any way form effective or even undesirable competition in the passage of information to the London Populace".

"The *Free Press* and particularly CFTL Television are in complete monopoly here.

Any assertion to the contrary is grasped to justify the unjustifiable."

The other telegram received on the weekend is from John Bassett, and I quote:

"Dear Keith:

Have just finished detailed discussion of Simon's testimony with regard to his statement that he was ordered to change stories by editors. Have questioned editors closely and would appreciate if you would put into your record my statement that Mr. Simon is an unmitigated liar. It's just as simple as that.

John Bassett."

I apologize, Mr. Balfour. I had to get those things into the record. I think they were of importance.

As requested, the Southam Press Limited forwarded to us briefs which, Mr. Balfour, have been read and circulated to all the members.

I should perhaps begin by introducing you. I am sorry. On my immediate right is Mr. St. Clair Balfour, President and Director of Southam Press Limited. On his right is Mr.

Gordon Fisher, Vice-President and Managing Director, and on his right Mr. Ross Munro, Director of Southam Press and publisher of *The Edmonton Journal*.

The brief has been circulated to the senators and it has been presumably read and studied. You are now free, if you will, make an oral statement of perhaps 10 or 12 or 15 minutes. You can explain your brief, expand on it, add to it, put in any clarification you may want to, or indeed you may cover other matters. Following that time I can assure you the senators will want to question you on the contents of your brief and the other things which you may say.

If during the questioning there is anything you feel is of such a confidential nature that you prefer to answer it in camera, then, I think we can oblige you.

Mr. St. Clair Balfour, President, Southam Press Limited: Thank you, sir.

Mr. Chairman, honourable senators, I hope to be at least as frank but perhaps not as emphatic as John Bassett.

Also, of course, Mr. Fred Auger, Mr. T. Nichols, Mr. Frank Swanson who with the editors, Mr. Paddy Sherman and Mr. Gordon Bulloch and Mr. Richard Sanburn will appear before you this afternoon and are now here and available to answer any questions on the operation of an individual newspaper while we at the corporate level may not be able to answer.

Your committee has already performed a useful function by encouraging us to take a hard look at the direction in which newspaper publishing may be heading and at the implications arising therefrom.

The questions you have asked of those who have appeared before you seem to indicate two major, but inter-related areas of concern—the preservation of independent publishing voices and, assuming a continuing trend toward group ownership, the desirability of limiting this concentration. Given the present taxation systems, it seems apparent that small and medium sized newspapers will in the long run pass from individual ownership.

Our written brief has recognized that the sale of newspaper properties is frequently dictated, or at least encouraged, by the combined impact of gift and death duties. The effective rate of these taxes has

increased recently by government legislation. The new rates, taken with the proposed application of a capital gains tax will aggravate this whole problem in its application to all businesses, not just to newspapers.

It is characteristic of business that increases in productivity and a higher standard of living flow from the investment of capital. The reduction in available capital that results from high rates of capital taxes leads not only to the sale of many businesses, often to foreign corporations, but also reduces the capital available for reinvestment in greater productivity.

At least three of the publishers who have already appeared before your committee, Mark Farrell, John Bassett and Walter Blackburn have argued that some newspaper owners should receive special treatment insofar as death duties are concerned. We share their concern, but reject the concept of special treatment for our industry. There are always strings attached to special favours.

To our way of thinking this problem has an importance to Canada far broader than its impact on newspaper ownership, although it does indeed affect it. The reduction of capital available to Canadians will make the retention of Canadian ownership of all companies even more difficult.

One possible solution which we would ask you to consider is that all death duties should be abolished.

This idea is neither new nor revolutionary. Some provinces have abolished the provincial levy.

The tax revenues produced by death duties are not large—nor are they predictable. Capital gains taxes at appropriate rates will more than make good the lost revenue.

Further, and of equal importance, we recommend that capital gains taxes should be assessed only when a capital gain has been realized, either by sale, or by gift, or at death. When the control of a business is involved, the taxpayer should be allowed to spread his payments over a number of years, at no interest, so that the forced sale of assets and a change in the control of businesses can be avoided in the majority of cases.

The Minister of Finance has already recognized the unfortunate results which would flow from the five year evaluation of certain assets for capital gains purposes. This five

year cycle was originally justified on the grounds that it would avoid the coincident payment of both death duties and capital gains taxes upon death. This double payment can also be avoided by the elimination of death duties. It is our conviction that the White Paper underestimated the impact that these proposed methods of taxation would have on Canadian society.

We can appreciate that government revenues must be maintained and even increased if Canadians are to receive the government services of all kinds that they demand. We simply point out that the application of the taxes proposed, in the way they are proposed, will lead to results that appear inconsistent with the national objectives of growth and Canadian ownership. Your committee sits here today, studying a situation that exists, in some measure, because of the results of past tax policy.

We have followed with great interest the appearance of the various witnesses who have preceded us. Some of them, we feel, have tended to conclude, without justifying the conclusion, that independently owned newspapers have some absolute and special virtues distinct from the actual performance of such papers in their communities.

It is our opinion that good newspapers are those published and edited by competent and well motivated men. Such men, in our view, are just as likely to be found working for group companies such as Southam as in independently owned newspapers. In fact, talent of the kind we are discussing may be more likely to appear in the larger companies where opportunities are more varied and ability rather than birth is the standard of measurement.

Actually one cannot generalize about newspaper groups. Most are private companies, owned by an individual or by three or four associated shareholders, some of whom have extensive interests apart from communications. Of the two which are publicly owned, the Thomson Company is controlled by one man and his family who hold more than 75 per cent of its shares. Southam Press is owned by nearly 3,000 shareholders, 8 per cent of whom are employees. No single shareholder owns more than 3 per cent of the company.

I would like to emphasize that for many years it has been firm company policy for Southam Press to avoid investment in busi-

nesses outside of communications and printing. Another policy has enjoined company executives from associating themselves with other non-communication corporations as directors.

These policies reflect this company's strong conviction that the newspaper's role in society can best be performed by individuals without conflicting interests. The drama critic should not be an actor in the play he criticizes.

The whole tradition of Southam Press, since its inception, has been against centralized control. Our files contain many letters reaffirming the company's policy of editorial independence.

However, in spite of this policy of local independence, we recognize that there can be risks in the concentration of ownership in this as in other businesses. The problem, of course, is to define just what steps should be taken to avoid such risks and to decide who should take them.

Before making any suggestions, we would express the opinion that there is not now sufficient concentration of newspaper ownership in Canada to warrant "across-the-board" restrictions of any kind. Both Southam and Free Press each own newspapers with approximately 18 per cent only of total national circulation. Thomson controls substantially less. There may be unique situations in the provinces of Quebec and New Brunswick that require special study, not so much because of the total circulation controlled by the group owners, but because of the other business interests in which these owners are involved in these provinces.

It seems to us that if in the future the public interest is felt to be endangered by excessive concentration, the matter would then become appropriate for review under legislation covering combines or restrictive trade practices, which we understand is being redrafted.

We suggest that the following criteria be considered with reference to each individual case that might arise:

1. Would the proposed purchase tend to reduce or improve the quality of service being provided within the community involved?

2. Would it tend to limit local editorial freedom?

3. Would it tend to reduce or to increase competition within the community involved?

4. What is the size and editorial influence of the property being purchased?

5. What would be the result in terms of regional concentration?

6. What are the other business, political or special interests of the proposed purchaser?

7. What are the other media interests controlled by the proposed purchaser?

8. What is the total circulation controlled by the proposed purchaser?

We suggest for your consideration that there should be no special legislation limiting the size of newspaper companies. If it should be deemed desirable to investigate and perhaps prohibit a specific purchase, this should be done under the same laws and by the same authority which handles sales or mergers of any other type of business. Special legislation designed to deal specifically with newspapers would be dangerous because it would give power to regulate them in special hands. We feel that the best course is to have the matters dealt with by authorities independent of the Government of the day whose decision may be appealed to the courts rather than to the Cabinet.

Some witnesses have suggested that eventually there will be only three possible buyers for newspaper properties—F. P. Publication, the Thomson Company and Southam Press. Thirty-five years ago, Southam Press was the only company owning a significant number of newspapers. Today there is Thomson, F. Gelco and K. C. Irving. Others such as *The Toronto Star*, *The Montreal Star*, the *Toronto Telegram*, the *London Free Press* and *Armada Corporation* are of a size and have the management strength to go public and become potential purchasers. In our opinion there would be lots of competition to buy a major property if one came on the market. May I remind you what happened when the *Globe and Mail* was sold by the McCulloch estate?

In closing we would repeat our opinion that all existing independently owned newspapers will come on the market in due course because of the tax implications now facing Canadian business owners.

Thank you, Mr. Chairman.

The Chairman: Thank you very much, Mr. Balfour.

We will now turn to the senators. I might say that if there are any questions which you wish to turn over to your colleagues, please do.

Mr. Balfour: Thank you, sir, I hope to.

The Chairman: I think the first questions this morning will be from Senator McElman.

Senator McElman: Thank you, Mr. Chairman. First of all your verbal comments have eviated a good many of the questions I have. I was interested in your reference to death duties, and so on. There are suggestions by a good many witnesses that this has almost prepared the ground for the chain extending in their implications on the smaller companies and family type operation. So I think it will be clear on the record, you were speaking of the principle, not of any possibilities for expansion of your own organization.

Mr. Balfour: No sir. I was speaking of what has happened and what we think will happen. Of course, this does affect our own organization because as a publishing company, regardless of who the shareholders are, it will presume to continue to exist.

Senator McElman: We have had testimony that one of the groups is actively searching for new papers to purchase. This is the Thomson group. We have talked with F. P. about their purposes.

The Chairman: Excuse me, senator. The people at the back are indicating they would like you to speak louder, please.

Senator McElman: We have talked with the F.P. as well about their intentions as to whether they are actively seeking other acquisitions in the media field.

We have had testimony from at least one who suggested if his paper were for sale he would be trampled in the rush by the chains. Are you actively seeking or are you waiting until things come on the market?

Mr. Balfour: Do you mean, sir, I was making direct efforts to anyone, no.

Senator McElman: There are no recent incidents where you have been actually seeking a purchase?

Mr. Balfour: No sir.

Mr. Gordon Fisher, Vice President and managing Director, Southam Press Limited: May I make an opening statement, Mr. Chairman?

The Chairman: Yes.

Mr. Fisher: I was intrigued by Dick Malone's indifference as to whether his company was called a chain or a group.

I have some confidence in spite of the number of publishers of seven papers that are in the room today, probably the one subject in which I can express an opinion that they might not disagree with is the distaste we feel at being called a chain, and I suppose the reason is that we are conscious that chains are used for many things and the common characteristic of the application is that when you pull one end of the chain all the little links in it between and indeed the end follow along in a very predictable way.

I think you will find that when you are through with us today if you pull one end of the Southam Press Limited, all the other ends will react differently. Some of them will, no doubt, smile with amusement; some will shrug with indifference; some of them might bellow with rage and I suppose some howl in protest.

"Chain" is not a word we like to apply to ourselves and the feeling that it gives is a feeling that we do not encourage in the company. We are not as indifferent as Mr. Malone is to the use of the word "chain".

Senator McElman: In the area of operating cost...

The Chairman: May I just interrupt. Senator McElman, on your first question, I would like to just be clear on that answer. Were you going to return to that?

Senator McElman: Go ahead.

The Chairman: Is the group interested in expansion?

Mr. Balfour: Yes. The group would be interested if another or other good newspaper became available. We are not going to Brantford and say "Will you sell your *Brantford Expositor*?"

The Chairman: But, if the *Brantford Expositor* was interested in selling, you would go to Brantford then?

Mr. Balfour: Not necessarily so, sir, because it is very close to Hamilton.

The Chairman: Well, the group is interested in expansion. I don't want to quarrel with words here.

Is the group actively interested in expansion? That is a pretty tough question, I agree. Let me phrase it another way. How interested in expansion are you?

Mr. Balfour: I think perhaps I would have to go a long way around to answer that question. In 1969 we acquired three newspapers, the *Montreal Gazette*, the *Owen Sound Sun-Times* and the *Prince George Citizen*. In each instance the proprietors of those newspapers approached us. They knew of course that we were interested, or would be interested, or would probably be interested, but this was not a case of the direct approach by Southam Press to those people.

The Chairman: Do you think there will be any purchases in 1970, from past experience?

Mr. Balfour: I cannot answer that question, sir. I am aware of none.

The Chairman: I am glad you gave the answer you gave there because I was going to ask you this: there was considerable activity in 1969 and it is interesting to note for the record that the approach in each case came from the papers.

Senator Hays: May I ask a question?

The Chairman: Is it a supplementary question?

Senator Hays: Yes.

Is there any thought of amalgamation say on the basis of where F.P. would take over one of the Winnipeg papers and Southam would take over the Calgary paper and a deal be made on that basis?

Mr. Balfour: There has been no deal discussed, sir.

Senator Hays: I often wonder why there was not.

The Chairman: Is that a question or a comment?

Mr. Fortier: Within this context, Mr. Balfour, of your declared interest in acquiring newspapers should an occasion arise, where would you yourself draw the line at acquisitions?

Mr. Balfour: I think the criteria that I gave in my verbal remarks really set the ground rules, Mr. Fortier. We would avoid a regional concentration, a greater regional concentration. For instance, in Alberta a greater regional concentration. We were offered the *Red Deer Advocate* before it was sold to the *Liverpool Post* and we said "No thank you. We do not think we should have it".

Mr. Fortier: So the regional criteria is the all-important one, is it?

Mr. Fisher: We have published in our annual report, Mr. Fortier, a copy of which was included in our brief, and amongst other things, that that says is that there is mention of the company's policy against owning two kinds of media within a community, so I think we would consider what other interests we might have in a community in looking at a newspaper.

Mr. Fortier: Yes. I was going to come back to your interests in the electronic media at a later time, but for the moment I am thinking in terms of newspapers and I suppose the question that I am really asking is one you have asked before.

Within the field of newspapers, how much would be too much in what area?

Mr. Balfour: I do not think there is an absolute answer to that, sir. It depends on the concentration in that area and whether there are other strong voices in that area.

Mr. Fortier: There is no corporate policy on this point.

Mr. Balfour: There is no board minute on it. It is something, of course, which we have discussed. Shall I put it this way? As I mentioned Red Deer. We bought Prince George but we didn't buy some other British Columbia papers which were offered to us because we felt that Prince George was far enough away from Vancouver not to be a concentration.

I think we would look very hard at Brantford, because it is very close to Hamilton, for instance.

Mr. Fortier: Let me ask the question. You would look very hard at Brantford because of its proximity to Hamilton. Would you look very hard at the *Telegram* because of its proximity to Hamilton?

Mr. Balfour: Hamilton and Toronto do not speak to one another. We would not think that was too close to Hamilton.

The Chairman: Mr. Balfour, I am sorry. There are all supplementary questions. But I would like to ask this question: Standing back from Southam and looking at the general problem of concentration in Canada—you have heard us ask several questions which we are afraid of people like yourself—how much concentration is too much?

The Chairman: I am sure you will agree for example if one company owned all the newspapers in Canada it would not be a healthy situation. Is your answer simply the criteria that you listed in your oral statement?

Mr. Balfour: Sir, I would agree with you that if one company owned all the newspapers in Canada it would be a bad thing. We would think it would not be socially desirable for one company to own all the newspapers in a particular area.

On the other hand, if an opportunity came to invest in a newspaper in the Maritimes, I think we would be interested, not just because of the possibility of expanding, but because we think it would be of indirect benefit. The tendency of Upper-Canadians is to turn our backs on the Maritimes and this would involve us, as a company.

I think it has been good for our fellow publishers that we are now involved in the Province of Quebec in *The Gazette*. Our board meets regularly four times a year and all our publishers, who are officers of the company, attend. They all meet one another. They discuss problems. They hold committee meetings of their own to discuss problems such as news service, the sale of advertising, or this sort of thing.

I think it has been a good thing for our western publishers to have some one from the Province of Quebec, to be available, to rub noses with westerners, some of whom may not be as interested as they might be if they had more direct contact.

I would hope the same benefit would accrue if we owned a newspaper in the Maritimes.

The Chairman: Perhaps this is a natural point to return to Senator McElman.

Mr. Fortier: With Senator McElman's permission, and the Chair's indulgence, might I ask another question on that point because I think it really should be asked now?

The Chairman: Yes.

Mr. Fortier: Later the whole context will be lost and even perhaps the atmosphere. Mr. Balfour, you stress throughout your brief and you have also stressed in your verbal presentation the local independence of your individual newspapers, of the newspapers in your group.

If that is so—and I am not putting it in question at all—why do you fear this concentration?

Mr. Balfour: Because, sir, we also said in our group that ideally there should be many voices, and even with our local independence I think the public would tend to doubt that those voices were as independent as in fact they are, and this would have an adverse effect on the newspaper.

If we look at the situation in Vancouver where there is editorial independence and strong competition between the *Vancouver Province* and the *Vancouver Sun*—when we first formed *Pacific Press* the reaction in the trade and in Vancouver was "You have just stuck two things together and that is the end of it". It has taken, I think, a long time to convince the citizens of Vancouver we meant what we said when we formed *Pacific Press*, that there would be two voices in that community.

Mr. Fortier: How would you apply that reasoning to Victoria?

Mr. Balfour: I do not.

Mr. Fortier: In this area what do the people of Victoria think? What do they believe?

Mr. Balfour: I do not know.

Mr. Fortier: What you are saying really is: What is important from your group's point of view is not only that independence be but that independence appear to be.

Mr. Balfour: Be seen to be, yes sir.

Mr. Fortier: Be seen to be.

Senator McElman: I was quite taken by the suggestion by Mr. Balfour that there be no special intervention by government with respect to media. Can we sum it up at your suggestion as does the current report on the Combines and Restrictive Trade Practices legislation, that the whole area of media should be carefully considered in this, not as a special thing, but as related to any companies.

Mr. Balfour: Yes sir.

Senator McElman: And that each case of further concentration or ownership by conglomerates or multi-media ownership be considered on its own merits.

Mr. Balfour: I think that is a fair statement.

Senator McElman: I think this can be important, Mr. Chairman.

The Chairman: Yes.

Senator McElman: This is the first real suggestion we have had along these lines.

Mr. Fisher: Simply to emphasize the point, I think what we are saying is that we do not seek special legislation but we are interested, if there is to be legislation and legislation that would take into account the special characteristics of newspaper publishing, all media activities, there are special factors involved.

Senator McElman: And with the additional interesting proviso that references from this lead to the courts, not to the Cabinet.

Mr. Balfour: Yes, indeed.

Senator McElman: I believe I interpreted it correctly from your brief—your policy is to be active in the operation of newspapers, but not overly active in the electronic media, is that correct?

Mr. Balfour: Well, we have fairly substantial investments in the electronic media but we do not either manage or control any units of the electronic media.

Senator McElman: Is this the result of a basic policy decision or concern that if there were too great an element of multi-media ownership in concentration, that that would in fact provoke government intervention?

Mr. Balfour: Sir, we made that decision in 1960 long before there was any suggestion that there might be government intervention. We made it voluntarily as a matter of policy and at that time we sold the control of two radio stations we then owned.

Senator McElman: Just as a matter of interest: may I have your reaction to the attitude recently shown by Selkirk when it appeared before the CRTC and microwave was the main subject?

Mr. Balfour: Yes.

Senator McElman: And Selkirk's brief supported the microwaving of U.S. programs into

the Prairies where, contrary to this, there is a very strong body of opinion that this is really in the Canadian public interest, culturally or otherwise.

Could you comment on that?

Mr. Fisher: This was, of course, Selkirk's representation, not ours, although we are shareholders of Selkirk. We knew something about it. I think this is a conflicting problem because on the one hand you have the question: Should the Government begin denying from some Canadians that type of program which others can receive, without the Government policy restricting it? You have the question: Should the Government policy protect the television and broadcasting industry from having that type of competition that cablevision would produce in the City of Edmonton, as an example, or Calgary?

Against that there is the very difficult question on which the CRTC has to deliver an answer—if they allow microwaving and the allow expansion of cable television into the communities with the almost certain damaging effect it could have on existing broadcasters, who have been franchised by the same board?

I think Selkirk's position was that in an area of doubt like this perhaps the thing to do was to allow more competition rather than more restriction, but it is a very complicated matter.

The Chairman: Is that a satisfactory answer, Senator McElman?

Senator McElman: Yes.

Would you care to move into it?

The Chairman: No, I really wanted to know if you were satisfied.

Senator Hays: May I ask a question on this point?

The Chairman: Yes.

Senator Hays: Still in this regard, some newspapers—I am not sure—but it seems to me that editorially some of your papers took quite a strong stand in so far as this position was concerned.

Mr. Balfour: Did they?

Mr. Fisher: I have no doubt that the citizens of the cities involved felt very strongly in favour of expansion of the variety of programming they could see.

Senator Hays: I have another question. If you were the sole owner of one of the stations of which you were interested, would you feel the same editorially or would you give a preference from your head office in so far as this was concerned?

Mr. Balfour: Senator Hays, if I did, I would be slapped down by the publisher concerned.

Senator Hays: Would you replace him?

Mr. Balfour: No.

Mr. Ross Munro, Vice President and Publisher, The Edmonton Journal: We took a very strong stand in Edmonton against this decision because we think it is entirely wrong for a remote city not to have greater facilities and I have not heard anything—I do not know whether anybody in head office even read the editorial.

Senator Hays: May I pursue this?

The Chairman: You can pursue this after I ask this question. Do not people in the head office even read editorials?

Mr. Balfour: Not every day.

The Chairman: Is there anyone in head office who reads the editorials every day in every paper?

Mr. Balfour: No.

The Chairman: Do you not think maybe they should?

Mr. Balfour: No, because we have confidence in the people who are running these newspapers. We mean what we say when we say they are running it and running it independently.

Senator Hays: If then there is judgment microwave would destroy the existing media, in so far as television was concerned because they have to live with certain criteria, do you think that that would be good? Did they weigh it and how did they come to this decision?

The Chairman: Mr. Fisher says it was a very difficult one.

Mr. Munro: Senator Hays, we did not consider the position or any relationship our company had with any electronic company at all. As a matter of fact, I don't really know much about it. We only considered what we thought was best for the City of Edmonton and Northern Alberta.

We thought the citizens probably deserved better treatment with only two stations up there which is very limited, two stations in Edmonton and only five in that great area of the north and we looked at it entirely from the point of view of the service to the citizens of greater variety of information and entertainment.

Senator Hays: Would you feel then that the ground rules under which certain TV stations now have to operate should have been changed before there would be a decision in so far as microwave was concerned?

Mr. Munro: I would say they should all be on the same basis. I do not know enough about the television industry to answer that question.

Senator Hays: You felt quite confident when you were writing about it editorially.

Mr. Munro: I was only trying to reflect what the people need and that is our primary purpose, I think, in this.

The Chairman: Mr. Munro, I think if we were to ask every publisher about every editorial the committee would be endless. However, I do want to ask you a question about that editorial because its content bears directly on the work of the committee.

Are you concerned about the supersaturation of American programming in Canada and in particular television? Do you not consider this a problem?

Mr. Munro: Oh yes, this is a problem and a very great problem. In fact, I would like to see a lot more Canadian programs. On the other hand, there is still discrimination, which is a popular western world. You can get this in the east and we cannot get it, so there we are. This is the main fundamental point.

The Chairman: Some easterners think you have an advantage.

Mr. Munro: That is possible.

Senator McElman: Along the same line, it is quite obvious that the CRTC is trying to recover ground that has been lost to a degree already through this saturation by U.S. programming. In the light of this, that they are trying to develop a policy. You have, I believe, on Selkirk's Board a vice president from Southam. Is that correct?

Mr. Balfour: One of our vice presidents, in fact two of our vice presidents are directors of Selkirk, Gordon Fisher and Michael Harrison.

Senator McElman: One of them is a vice president of Selkirk, is that correct?

Mr. Balfour: No sir.

Senator McElman: That is not the case?

Mr. Balfour: I don't believe so.

Mr. Fisher: No.

Senator McElman: I understood it was. You have two directors on Selkirk's board. In a matter of this importance presumably there would be some discussion of policy in advance of a presentation of such importance to the CRTC.

Did the directors of Southam in fact make any representation to the board either for or against this extension of microwave?

Mr. Balfour: As directors of Southam, are you asking, sir, whether the board of Southam perhaps took any position and instructed those directors on the Selkirk board to take a position.

Senator McElman: Yes.

Mr. Balfour: No.

Senator McElman: None?

Mr. Balfour: None.

Mr. Fisher: Nor did in fact the directors take the position with or without the direction of Southam's board.

Senator McElman: What I am getting to is the next question. Then Southam had no part to play in the policy approach of Selkirk?

Mr. Balfour: Not as a corporation. I am not a director of Selkirk. Gordon Fisher is. He will have to give any further answer on that, sir.

Senator Prowse: Mr. Fisher, you are on the Selkirk board. Did you take any part in any of the discussions about policies with regard to Selkirk's attitude on the extension of cable TV or non-extension?

Mr. Fisher: No, I did not, senator, but since you asked I am rather inclined to the view perhaps I should have. Perhaps it should have come up at Selkirk's board but in fact it did not.

Senator Prowse: It did not come up Selkirk's board.

The Chairman: I think, if I may say, senator, questions on Selkirk are germane given the Southam involvement, but I would remind you at the same time that Selkirk will be coming before the committee later on in the course of the hearings.

I am not trying to eliminate questions on Selkirk. I just want you to realize they will be coming.

Senator Prowse: Following on that same comment, for example, Mr. Munro has told me that the *Edmonton Journal* took a very strong stand against the CRTC decision with regard to permitting that.

Now, as a matter of principle—and perhaps Mr. Balfour can answer this—you own the *Medicine Hat News* too.

Mr. Balfour: Yes sir.

Senator Prowse: One of the arguments that somebody put up somewhere would be if they had allowed cable to go into Medicine Hat, the independent TV station there—I believe it is independently owned. Is anybody aware of that?

Mr. Fisher: I believe it is but I am not sure.

Senator Prowse: It would be unable to remain alive because of the very limited market and to cut down their hearing or threatening audience would mean they would never become viable.

Do you know whether the *Medicine Hat News* paper took any attitude in that regard?

Mr. Fisher: I do not know.

Mr. Balfour: I do not know.

Senator Prowse: If the local television station were eliminated in Medicine Hat, would you feel this would be a benefit to the *Medicine Hat News*, financially?

Mr. Fisher: You mean eliminated by the existence of a cable company bringing in three or four or five stations?

The Chairman: Just eliminated period. In the course of business, I presume, is what you mean.

Senator Prowse: Yes.

Mr. Fisher: I think almost certainly that it would benefit the *Medicine Hat News*. It is competition. To the extent that lack of ca-

petition enables a newspaper publisher to benefit in some ways, then it would benefit the *Medicine Hat News*.

The lack of competition also has some disadvantages and the *Medicine Hat News* would suffer from those disadvantages.

Senator Prowse: What are those disadvantages?

Mr. Fisher: Mr. Munro, you talked about this. Do you want to say what the disadvantages are of publishing newspapers without competition?

Senator Prowse: Let us stay with the *Medicine Hat*.

The Chairman: I think the statement that Mr. Fisher made was a general statement in answer to your question. Mr. Munro should be equally general and that is: what are the disadvantages of not having any competition?

Mr. Munro: Well, the disadvantages are very considerable, I think, because you feel uneasy about the effort you are making every day. You are the only voice in the community. I dwell on this in my brief that I submit to your inquiry.

We have always worked in competitive situations and in all those circumstances, in competitive situations you know at the end of the day whether you were right or wrong or whether you had passed that day.

In non-competitive situations, as far as the point goes, I think it is really more trying at times—although I know many of my colleagues here would not agree with that, but I find it so.

You have really—this perhaps sounds platitudinous—a greater burden of responsibility if you actually have nobody—may I use the phrase—to blow the whistle on you, in your community or in your town in the print area.

The Chairman: I think I should add, senator, that Mr. Munro's brief was one of the written briefs that we received.

Mr. Munro: Yes.

The Chairman: I am going to have to end the discussion here on this point. It has been a useful point.

Senator Prowse: He deals with another question in his brief. I am not sure whether we should take it now or leave it until later.

The Chairman: I think I would prefer to leave that perhaps until this afternoon.

Senator Prowse: He is not going to be here this afternoon.

The Chairman: Well, I am sure he will be agreeable to answering the questions.

Senator Prowse: Would you prefer to take it now?

Mr. Munro: Is it a question on the *Journal*?

Senator Prowse: This is a question on how do you deal with extra voices when you are the one paper in the community?

The Chairman: Would you agree that you will deal with it this afternoon? Would you care to deal with it this afternoon?

Mr. Balfour: We will be here.

The Chairman: Fine.

Senator Hays: May I ask a question?

The Chairman: Is this a supplementary question?

Senator Hays: No, mine is a new one.

The Chairman: Senator McElman still is questioning, I believe.

Senator McElman: I have page 1 of the *Toronto Telegram* of Wednesday, January 21. There is a report in it of a speech that was made to the Progress Club of Canada by Mr. E. S. (Ted) Rogers, President of Rogers Cable TV, and I would like very briefly to refer to some of his comments.

He suggests:

"Canada's most powerful means of communication and national unity, cable television, is being given away to Americans."

He goes on:

"That it is currently owned in excess of 55 per cent by Americans..."

And he pleads for government measures to prevent microwave from picking up U.S. stations for a Canadian market.

He made further statements, but I think those are the principal ones I want to refer to.

Now, your group, with its numerous statements has, I think, approximately 22 or 23 per cent of Canadian circulation—that is in dailies.

Mr. Balfour: Eighteen, I think, sir.

Senator McElman: Eighteen as it reaches to the population. Well, I do not argue that point. In any event it is very...

Mr. Fisher: Thomson Newspaper, senator, gives us credit for 18 per cent in their brief where they set out circulation and we do not disagree with it.

Senator McElman: I understood your reach to the people was 18 per cent and that your actual circulation was 23 per cent. However, we will not argue that point. You are one of the larger. You must obviously be constantly studying effect of other media and I would like to get from Southam, if possible, your comment on these views expressed by Mr. Rogers.

For instance, as a major group, do you feel that there is a real danger developing from what is supposed to be the most powerful of the communication elements in the Canadian picture?

Mr. Balfour: Cable television?

Senator McElman: Yes.

Mr. Balfour: My understanding, sir, is that the CRTC has already ruled that this American ownership, of which Mr. Rogers speaks, must be given up, I think, by a date in 1970.

Mr. Fortier: September.

Mr. Balfour: Famous Players, who have a big concentration, is already disposing of it. I think Columbia Broadcasting System has a major holding in Vancouver. Is that correct?

Senator Beaubien: Yes.

Mr. Balfour: And presumably they will have to dispose of it. So I think at least one of the points Mr. Rogers makes is being taken care of.

Senator McElman: That is on ownership.

Mr. Balfour: On ownership.

Senator McElman: Well now, what about content?

Mr. Balfour: I am not an expert in this field, but I find it very difficult to understand why if in Hamilton or Toronto, or anywhere along the border, listeners can receive the U.S. stations directly or by cable Mr. Rogers says that we are being taken over.

The Chairman: Well now, are you quoting Mr. Rogers accurately, in fairness to him?

Senator Hays: It is in the newspaper. How can you be sure?

Senator McElman:

"Canada's most powerful means of communication and national unity, cable television, is being given away to Americans."

Mr. Fisher: Well, I think we can disagree with that.

Mr. Balfour: Yes.

Senator McElman:

"I don't blame Americans" he goes on

"I blame Canadians."

Then he makes his appeal for Government intervention.

The Chairman: I think your answer is both Mr. Balfour and Mr. Fisher said they disagreed with it.

Mr. Balfour: I suggest intervention has already taken place.

Senator McElman: On ownership.

Mr. Balfour: On ownership. And after cable, as I understand it, is a medium transmitting a message. It is a public carrier. All cable stations in our part of the country must carry the signals of all Canadian television stations in their particular area. This is a must.

Senator McElman: It is a priority.

Mr. Balfour: They have to carry it. Then they have additional channels they can carry other American ones as well which, of course, they do.

Senator McElman: I appreciate in some parts of our strung-out nation the viewers can get, without cable, American stations. Now there is little one can do about that. I do think it enters the question we are dealing with.

But, do you feel that if there is the necessity for protection of the Canadian entity that the CRTC or a government agency should turn back the clock; that is to reduce the number of American stations that can be brought in by cable in any part of the country?

Mr. Balfour: No. I do not personally nor do I think it would be proper to stop American newspapers from coming across the border.

Senator McElman: That is quite a different situation.

Mr. Balfour: Yes, there is a difference but you are talking here—. To me, we are talking about a message.

Senator McElman: Yes.

Mr. Balfour: And after all, both our major networks, including the Government one and the private one, are carrying a far greater volume of American programs now. What cable would perhaps give is a better signal and perhaps more.

Mr. Fisher: Senator McElman, are you really asking for our opinion as to the possible effect on the fibre of Canada by the importation of American programs to all major communities in the country and in substantial quantities? Is that your question?

Senator McElman: I am asking you about the U.S. stations being brought in and their effect in addition to the American content which is already coming through our Canadian stations.

Mr. Fisher: This is your question. How great an impact can this have on Canada?

Senator McElman: And should we turn back the clock on it?

Senator Prowse: Can we?

Mr. Fisher: No. I guess I would argue that it is a legitimate consideration for a Canadian commission like the CRTC to concern itself with the possible implications of allowing more American programs into Canada. I guess I would also say I am glad I am not the Chairman of the CRTC and have to make a decision on it.

Senator Prowse: Where do you live?

Mr. Fisher: Toronto.

Senator Prowse: Then you can get the American stations without the assistance of the CRTC.

Senator McElman: Before you leave that point. Out of Mr. Balfour's reply it would follow then that if the CRTC is not to turn back the clock on existing cable television and permit a continuation of U.S. stations being brought into Canada to quite a heavy degree,

that other Canadians should have the same privilege.

Mr. Balfour: I certainly thought so until I talked to one of your consultants or one of this committee's consultants who was also, I gather, a consultant to the CRTC.

I came down on the plane with him the other day and he told me that in his opinion—and I hope I am quoting him correctly or attributing the correct remarks to him—that the danger of extending the cable system to cities which did not now have it would mean that within a very short time American advertisers would probably go on American stations and not on Canadian stations, and therefore the Canadian stations would never be viable.

I find this very difficult to believe because Southam Press was one of the companies which founded CHCH in Hamilton and it is an independent station. It has no network affiliation and we had managed to exist.

Mind you, we are in a very well populated part of the country, but where the station has tremendous competition from both American and Canadian stations it has still managed to exist.

Now, whether this same situation would apply to Medicine Hat, which is a very small community, I am not in a position to answer, but I think your consultants perhaps could.

The Chairman: Senator McElman, do you have any further questions?

Senator McElman: Not on this question.

The Chairman: The only point I was going to make, senators, is that as interested as we are in this electronic phase of our studies and particularly as it relates to Southam and the other companies, I would hope we can turn now more to the newspaper side of the case.

Senator McElman: This is what I propose to do.

The Chairman: This is not a direction by the way. Do whatever you want.

Senator McElman: No. I have finished my questions on this phase.

The Chairman: Fine.

Senator McElman: In the area of operating costs of newspapers, one of the largest elements is salaries and wages.

Mr. Balfour: Yes.

Senator McElman: In wage negotiations, are those all handled at the local level?

Mr. Balfour: Yes.

Senator McElman: There is no part played by head office in this?

Mr. Balfour: No direct part played by head office. One of our vice presidents knows something about labour contracts and he looks at the contracts and suggests to whoever the local negotiating committee may be the areas where he thinks there may be some problems, but it is up to the local people to deal with them.

Senator McElman: It is unnecessary then for a local manager to clear the contract finally with head office before signing?

Mr. Balfour: No. We had a strike over that in 1946.

Perhaps I should enlarge on that, sir. The International Typographic Union tried to force centralized bargaining and we insisted, quite correctly, that this was a local matter and they struck a number of Southam newspapers.

Senator McElman: And obviously your group would not be trying to establish relative scales of wages throughout the whole ball of wax.

Mr. Balfour: No.

Senator McElman: Another of the large single elements of cost is the newsprint. Does each of your newspapers do its own purchasing of newsprint?

Mr. Balfour: Yes.

Senator McElman: There is no general head office purchasing in quantity?

Mr. Balfour: No.

Senator McElman: Why not?

Mr. Balfour: Because we are spread out very widely. I think if you are going to have any bargaining power with a newsprint mill you have to have quite a lot of tonnage and our papers—none of them individually are that large, and they are spread across the country so that they are not buying from the same mill.

We have never found it practicable to date in any way to do central purchasing for newsprint.

Senator McElman: Some of the newsprint industry are also becoming quite spread out across the country. Would there not be an advantage in trying to do your purchasing at the central level?

Mr. Balfour: We have not.

Mr. Fisher: Correct me if I disagree. I think there is a strong point of principle here. I think our attitude would be if we came to the conclusion that we could buy newsprint at a cheaper price by buying it centrally than we would by buying it locally, we would certainly look very seriously at that.

I guess that would depend upon the laws of supply and demand in the newsprint industry.

Senator McElman: I take it then you buy from a multiplicity of sources.

Mr. Fisher: Yes.

Senator McElman: For newsprint is the any variation in prices aside from transportation costs?

Mr. Balfour: I don't believe so.

Mr. Fisher: No. I cannot be specific either. I think there are the normal variations that any other newspaper publisher would enjoy in the same communities we publish in. The mills are different distances from the...

Senator McElman: I said aside from the cost of transportation, is there any difference in price?

Mr. Balfour: No.

Senator McElman: Have you ever tried to dicker a price?

Mr. Fisher: Yes.

Senator McElman: What reasons are given for not being able to dicker a price?

Mr. Fisher: Do you mean by the newsprint people?

Senator McElman: Yes.

Mr. Fisher: Mr. Munro, you do more bargaining than we do.

Mr. Munro: I deal with two companies and they are pretty tough about it. They say "it's \$140 a ton or \$145 a ton and that is it". They just put the price up \$5 a ton which, in case, means \$100,000. We are buying 20,000 tons a year. I tried hard. I couldn't get it anywhere.

Senator Beaubien: Mr. Munro, was there not a difference between the price say in the east and the price from the Great Lakes at the same stage?

Mr. Munro: That would be the transportation?

Senator Beaubien: No. I am talking about the basic price.

Mr. Munro: I don't know.

Senator Beaubien: The price was put up at the same time.

Mr. Munro: I do not recall that incident, Senator.

Mr. Balfour: I had forgotten for the moment, but there was a difference in the basic price between east and west, the west east mill.

Senator Everett: Five dollars a ton.

Senator Prowse: Which is the higher?

Mr. Balfour: I think the east is the higher.

Senator McElman: You have never had discussions, I take it then, with others of the group that you might, amongst you, because this is such a tremendous element of your cost—you have never had discussions and got together groups with the newsprint industry to talk about price?

Mr. Balfour: No, not with the other groups.

Senator McElman: Do you think any purpose would be served perhaps by this committee discussing the matter with the newsprint industry?

The reason I raise this question is that Mr. Bissett has spoken out not only before this committee but in his newspaper and elsewhere that it is a combine and something should be done about it.

Do you think that because of the importance of this element of cost, perhaps this committee should discuss it with the newsprint industry?

Mr. Balfour: If this committee can get a reaction in the price of newsprint, we would be very grateful.

Senator Prowse: On this question of newsprint, I would like to ask Mr. Munro. You said you got your supply from two places, or are there two suppliers that you can take?

Mr. Munro: Two companies.

Senator Prowse: Where are they located?

Mr. Munro: In British Columbia.

Senator Prowse: Both in British Columbia.

Mr. Munro: As you know, there is no newsprint yet in Alberta. There is talk of one coming in or maybe two.

Senator Prowse: That talk has been going on for a long time.

Mr. Munro: Yes.

Senator Prowse: Are these two companies separate companies or separate mills in the same company?

Mr. Munro: No, two different corporations.

Senator Prowse: Are the prices the same?

Mr. Munro: Yes.

Senator Prowse: They quote you the same price now?

Mr. Munro: That is right.

Senator Prowse: And they just raised it \$5 a ton and both of them raised it \$5 a ton?

Mr. Munro: Not exactly the same date.

Senator Prowse: How many days apart, do you remember?

Mr. Munro: No.

Senator Prowse: On your attempts at negotiations with them, how far do you get? Do they just say "It is not negotiable. That is the price"?

Mr. Munro: No, they don't do that. They talk about it and they make quite an impressive case about their own costs rising. They have got problems too as we have with rising costs. They make a very impressive case. It is not my responsibility to swallow it. I was trying to get the best price I could and I think that my experience is not unique in Canada at all.

Senator Prowse: What are your freight costs in there per ton?

Mr. Munro: The freight costs would be \$5 or \$6 a ton, or something like that, in that neighbourhood.

Senator Prowse: They would be on Mountain rates.

Mr. Munro: It would be on the Mountain rates. We get a pretty fair break on the freight allowances.

Senator Prowse: Do you have much damage to your stock in shipment?

Mr. Munro: No. It goes by train and both mills are meticulous about this and we have good equipment to bring it from the siding down.

Senator Prowse: Those are all the questions I have.

Senator Hays: I notice on your Board of Directors you are fairly well represented right across Canada.

Mr. Balfour: Yes.

Senator Hays: Wherever your group participates.

Mr. Balfour: Yes.

Senator Hays: Do you have any strong stands on, say, drugs or tobacco when you do have these group sessions in so far as policy is concerned or is this left entirely up to the...

Mr. Balfour: Clearly up to the local people, sir.

In the past some of our newspapers, for instance the *Ottawa Citizen*, for many years did not carry any patent medicine advertising at all. This was the decision of the local publisher.

Some of our newspapers in the past have not carried liquor advertisements and again it is a local decision, not a board matter.

Senator Hays: The fact that you do not have any policy in so far as the news is concerned—it probably is just economics, I suppose, after a board meeting. Would there be an advantage to a newspaper that belonged to a group say to have an advisory board in the city in which they serve? Is this done? Has it ever been done? For instance, such as a trust company and some banks and other groups that operate with a chain or group do.

Mr. Balfour: We discussed this in our office, not at the board level, a number of years ago and came to the conclusion that there would not be benefit to the newspaper; that having a local board might bring pressures to bear on the publisher and reduce rather than

increase his independence. This is just matter of opinion.

Senator Hays: So it has been considered. It was felt that the publisher alone could make better decisions than a group that is interested in this community.

Mr. Balfour: I think so because when I saw the publisher—certainly I hear from all kinds of people at all levels about the performance of the paper and whether we are doing it well or badly, or what we should be doing, or what we should be helping.

I believe the publishers who come on the afternoon will give us a more up to date answer but I do not think any of them feel that they are operating in a vacuum.

Senator Hays: As a publisher you pretty well call the tune.

Mr. Balfour: Yes.

Senator Hays: That dribbles all the way down. It was what you thought.

Mr. Balfour: No.

Senator Hays: In so far as policy was concerned?

Mr. Balfour: No. The publishers would answer for themselves. Perhaps I should refer this to Mr. Munro to answer now and I will in a second, but when I was a publisher, editorial people talked to me daily and I let them and they ran the editorial side of the paper.

I was fully informed of what was going on. I very often and usually did not see editorials until after they had been published in the paper because I had confidence in Mr. Nichols, who was then the Associated Editor—he is now the publisher of *The Spectator*—because I knew that if there was a difference of opinion between us, or a difference in which he thought there may be a difference of opinion between us, or a difference in which he felt he wanted to consult me, he would come in and do so.

Mr. Munro: It is not just the publisher's opinion that prevails. Certainly in the end probably it can prevail. You have to have a boss in any operation, but at our place the decisions regarding policies and editorial opinion are arrived at by a group discussion—maybe half a dozen editors. The head of the editorial page, the editor himself, the managing editor of media, the news editor, the editorial writers of any specialists.

For example, in the oil business, we have to have specialists in that field. We call them in for discussion and maybe we are talking about pipeline down the Mackenzie, or this export problem, or how we can look after the tundra in the Arctic, or that the Imperial strike is big, and that sort of thing.

It is not just me calling the tune every morning off the top of the deck or anything like that, no.

Senator Hays: What pressures would you be worrying about with an advisory board, Mr. Balfour? After all, you select these people and it would be a cross-section of the community.

Mr. Balfour: Well, Mr. Munro, how would you like an advisory board?

Mr. Munro: This is an interesting question I think to all of us. I do not think I would like an advisory board because you would probably have a banker on it. You might have somebody from the retail trade and somebody from the oil industry, or somebody from a trust company.

This seems to be a kind of pattern of advisory boards and they are very useful to a company like a trust company that wants its antenna spread widely and its interests represented well, and it is a real honour to serve on these local boards; but a newspaper is so different, I am afraid some of the editors would be inhibited, in all good conscience, if, say, a Bank of Montreal man sat on our advisory board.

I think one way of meeting this problem of that sort of contact with the paper is to have gatherings from time to time of people in the community of the type you have in mind, I would imagine.

I know Bob Southam does that here in Cowasa. I have not been doing it in Edmonton, but I intend to do more of this, getting groups together to discuss the paper and local problems. I think this is the way I would prefer to do it.

Senator Prowse: By invitation.

Mr. Munro: Pardon?

Senator Prowse: By invitation.

Mr. Munro: Yes. We could gather quite a few people in a period of a year, Senator Prowse.

Senator Hays: So you do not think this is all bad. It is just you do not want to take orders from them.

Mr. Munro: It would not be taking orders. I do not think any of us would, but the pressure might indirectly be there to maybe favour the Bank of Montreal, or not say something about the Bank of Montreal you should be saying. I think there is some risk and maybe not just a little risk in it.

Mr. Balfour: Is it not just the adverse of not having any of our publishers on the board of any company?

Senator Hays: Yes. I see you have that covered in your brief.

Mr. Balfour: Yes, therefore we do not want our publishers to feel that they have anybody in the community unnecessarily influencing them. We could not put it clearer.

For instance, George Crawford is a director of the Southam Press and therefore George Crawford has no direct voice in the operation of the policies of the *Calgary Herald*.

The Chairman: I wonder if I might ask you—I am going to adjourn in about two or three minutes, but before I do—I would like to ask you some questions myself.

On page 4 of the brief you talk about the economic conditions that have encouraged group ownership.

"Competition, the requirement for increasing amounts of capital, the need for more professional management and last, but not least, estate taxes..."

You elaborate on that in your brief. I am interested in the fact that nowhere in that list do you include "the opportunity of making some money". Therefore I would like you to comment on that.

You have very kindly appended some briefs. I would like you to refer to page 1 of Mr. Nixon's brief. "Trends in U.S. Newspaper Ownership: Concentration with Competition".

In the first sentence, Mr. Balfour, the last paragraph of that page he says:

"Nevertheless, most U.S. publishers for several years have been basking in the glow of record-making profits, which have led in turn to the fabulous sums being offered by chain owners for newspapers in strong 'monopoly situations'."

In the light of that statement, with which I am sure you will agree, do you not think section 12 on page 4 should have had "emerging economic conditions" as one of them?

This is not in any sense a criticism but surely you will agree the chance to make some money is another reason.

Mr. Balfour: I think, sir, what we meant here was these economic conditions which were forcing papers out of private hands into groups.

The Chairman: But the groups, in acquiring, are motivated at least in part by the opportunity to make some money.

Mr. Balfour: Any business, I think, tries to operate profitably.

The Chairman: I agree.

Mr. Balfour: And we do.

The Chairman: Well then again, referring to Mr. Nixon's article that...

Senator Everett: Might I ask a supplementary question?

The Chairman: Yes, Senator Everett.

Senator Everett: I wondered what the dividend rate of Selkirk is?

Mr. Fisher: Thirty cents a share.

Senator Everett: Thirty cents a share. What return would that be on your investment in Selkirk, not on its present market price, but on your particular investment?

Mr. Fisher: I cannot answer that, senator.

Mr. Balfour: We will get it for you. I have not got it here.

The Chairman: Is that satisfactory?

Senator Everett: It would be very interesting to know that.

The Chairman: You will send it to us?

Mr. Balfour: Yes.

Senator Everett: Do you happen to know what your investment in Selkirk is, the cost of it?

Mr. Balfour: No. I will send it specifically in writing rather than generalizing verbally.

Senator Everett: Why?

Mr. Balfour: My answer to that would be because I do not know the answer now.

The Chairman: On page 5 in the Nixon article, he refers in the second last paragraph which begins "The fact—". Then the sentence which begins:

"The pattern today is clearly for only one daily in cities up to approximately 150,000 population; a morning and an evening paper under single ownership or in joint operating arrangements in cities from 150,000 to 750,000; and two or more competing dailies only in cities of more than 750,000."

Would you think that those statistics are valid in Canada?

Mr. Balfour: We have talked a lot about this, senator. We do not know the answer. We do know that the level seems to be rising constantly as costs are rising.

The Chairman: Well, the next question was going to ask you to comment, of course was in Edmonton the city and retail trade zone is, I understand, around 870,000 people. Is that right?

Mr. Munro: Approximately 430,000 in the city.

The Chairman: But 870,000 in the trade zone. I guess the more specific question is: there room for a second competing daily newspaper in Edmonton?

I apologize to Senator Prowse. That coming close to his question, I realize, but just put that to you, Mr. Balfour.

Mr. Balfour: Not yet.

The Chairman: Not yet, but when will there be?

Mr. Balfour: I don't know. As I say, the minimum figure is rising because costs are rising so rapidly and whether the growth the city will...

The Chairman: What about under a Pacific Press kind of arrangement where F.P. would publish a paper?

Mr. Balfour: We have been asked about this, of course. We have thought about it. When I say "We have been asked about it" do not mean we have been asked by F.P. We have been asked by other people.

I was involved in the Vancouver Pacific Press deal and our legal adviser told us that

is no way would the Combines Commission allow such a similar situation to take place in Edmonton and in Vancouver, if you had read the findings of the Restrictive Trade Practices Commission...

The Chairman: Yes, I have.

Mr. Balfour: They said that only because it seemed that the only way to preserve this second voice in Vancouver would they agree that we could do what we were then doing.

The Chairman: May I ask you one more thing? I meant to ask Mr. Malone the other day and it has been on my mind all weekend. In a situation like Pacific Press where they own 50 per cent and you own 50 per cent, who makes the tough decisions when it comes down to the crunch?

Mr. Balfour: These things are argued out at the board and there is no—there has to be a consensus. There is no one who can make a decision.

The Chairman: Who is the Chairman of the board?

Mr. Balfour: The Chairman of the board alternates. At the present time it is Mr. Fred Town of Vancouver. He has been alternating with Mr. Harry Rex. The company has no president. It has a chairman, and the powers of the chairman are to preside at the meeting.

The Chairman: Does he have to break a tie?

Mr. Balfour: No, he has no tie-breaking vote.

The Chairman: Well, surely, there must have been matters then on which you cannot reach a consensus and which you must postpone to a subsequent meeting?

Mr. Balfour: There have been on occasion. We have been now around 13 or 14 years and we managed to live with Mr. Cromie for several of them, and now we are living with Mr. Malone and his associates.

The Chairman: I have just two other questions.

Senator Everett: May I ask a question, Mr. Chairman?

The Chairman: Yes, Senator Everett.

Senator Everett: What is your distribution policy on the profits of Pacific Press?

Mr. Balfour: Senator Everett, Pacific Press is owned equally by Southam and the Sun Publishing and we therefore share the profits.

Senator Everett: I am talking about the distribution of those profits to the shareholders. Do you drain it out every year?

Mr. Balfour: In the contract agreement between the two companies the directors agreed to use their best efforts to see that not less than 40 per cent of the profits were distributed and this is about what has gone on since the inception of the company.

Senator Everett: Is that in each and every year, or over a total number of years?

Mr. Balfour: In each and every year.

Senator Everett: Sixty per cent is ploughed back?

Mr. Balfour: Yes.

Senator Everett: And that is part of a minute of agreement, is it?

Mr. Balfour: Yes, it is.

Senator Everett: Was that made with Cromie?

Mr. Balfour: That was made with Cromie at the time Pacific Press was formed.

Senator Everett: Thank you, Mr. Chairman.

The Chairman: I just have two other questions then.

Mr. Balfour: That was made with Sun Publishing.

Senator Everett: While Mr. Cromie was there?

Mr. Balfour: Yes.

The Chairman: Mr. Balfour, going back to the bottom of page 10 in the Raymond Nixon article in which he attempts to give the value of these newspapers he says:

"A few years ago the value of a successful daily in a 'monopoly' city usually was estimated at approximately \$100 multiplied by the daily circulation as against \$30 multiplied by the circulation for a competitive daily."

In terms of the study which this committee has undertaken, would you think that these rule of thumb statistics have any validity in Canada at the present time.

Mr. Balfour: There are a number of rules of thumb you can use, sir, and after you have made an evaluation basis on that then you have to get down to the nitty-gritty and decide whether you are really going to bid it or not.

The Chairman: I am asking you specifically about this. This is one rule of thumb. It is contained in your brief. I agree it is an appendix to your brief, but is it a valid rule of thumb?

Mr. Fisher: No, I do not think it is a valid rule of thumb, Mr. Chairman. It suggests that the value of a newspaper property is directly related to its circulation and I do not think the value of a newspaper property is directly related to that. It increases as the circulation goes up.

The Chairman: He says on page 13, on the final page of the article the author says that there is a point in size and he says:

"That there is a point in size—in the United States at least—at which the economic advantages of group operation fail to compensate for the traditional opposition of Americans to absentee ownership."

Do you agree with that statement for Canada?

Mr. Balfour: I think it all depends on the kind of group.

The Chairman: Do you agree with it for your group?

Mr. Balfour: No.

The Chairman: Are there any groups in Canada that you would agree with it for?

Mr. Balfour: I don't think so. I think it depends entirely on the management, just as in any other business. If the company gets too big to manage and those who are managing it are not able to change the method of managing to cope with the size, then it will break down. Hearst tried to run the whole show and it broke down.

The Chairman: Then, my comment may sound snide. I do not intend it to, but you would think in reading that Nixon article that we should be mindful it is an American article.

Mr. Balfour: Yes.

The Chairman: In the appendix.

Well, senators, Mr. Balfour and gentlemen I think we should give the reporter a break. We will reconvene in exactly five minutes and I hope we can keep you until one o'clock if that would be possible.

Mr. Balfour: Yes, indeed.

...Adjourned at 11.40 a.m.

Resumed at 11.45 a.m.

The Chairman: Honourable senators, if I might call the meeting back into session please.

Senator McElman has requested to follow up on a couple of questions he has and then am going to turn to Mr. Fortier, and I would remind Senator McElman and Mr. Fortier that I have three other senators who have indicated that they wish to question Mr. Balfour. Hopefully, we might be able to adjourn at one o'clock.

Mr. Balfour, you wanted to clarify something, I believe?

Senator Prowse: Do you want to make four senators?

The Chairman: Yes.

Mr. Balfour: Mr. Chairman, if I may go back to Senator Everett's question about Pacific Press. This is a most peculiar arrangement in that there is an agreement which was worked out between the two original parties, Southam Press and Sun Publishing, under which although the equity is owned as 50 per cent, the rights of each company to operate an individual newspaper are completely unrestricted.

One of the operating companies could, legally speaking, break the company spending money. No one could stop it. There is no limit about the amount of money that the *Province* can spend on editorial quality, circulation and this sort of thing.

The board of directors is not the final arbiter. This is in the agreement and a copy of the agreement has been filed if you want to read it; but it is a most unusual agreement. It was the only way in which we could work it out in order to really preserve the independence of two voices in Vancouver, and this is one of the reasons why it would be very difficult to try and get anyone else to try and agree to a similar sort of agreement, I think, in any other city.

Senator Everett: Thank you.

Senator McElman: Just to follow on that: why then is not, let us say, the weaker of the two newspapers really pushing to get more of the circulation and advertising of the market?

Mr. Balfour: It does, sir.

Senator McElman: It is just not successful.

Mr. Balfour: It is increasingly successful if it has not passed the leading one.

Senator McElman: And then in fact the stronger of the two is truly subsidizing the other to a degree, is that correct?

Mr. Balfour: No, because when we formed this company, Southam Press contributed the assets of the *Province* plus a cash payment in order to equalize the ownership.

The revenues belong to Pacific Press. The costs are paid by Pacific Press. For our own purposes we do, what Senator Everett has referred to I think as, branch or plant accounting.

I am not a financial man. We might do direct accounting which would give different results. There would be a different allocation of the costs. This is the way we started because we just took two newspapers as they then were and put the figures in the books of Pacific Press on the same basis because we thought this would give us some idea of where we were going and how we were going.

Senator Everett: I think what Senator McElman is suggesting is that the advertising rates are so structured, the combined rate creates a subsidy from the *Sun* to the *Province*.

Mr. Balfour: I do not agree.

Senator Everett: We are not saying we are right. The presumption is raised.

Mr. Balfour: The combined rate, sir, is based on the aggregate circulation of the two newspapers which is the way it is based on the aggregate circulation of any morning and evening combination in Canada and, I think, in the United States.

Senator Beaubien: Mr. Balfour, how do you allocate then the amount of advertising revenues that comes in between the two; as per the circulation? If you take in \$1 million in advertising, who gets what?

Mr. Balfour: The only place there is a combined rate is in general advertising. The retail advertising and classified advertising is sold

by separate space separately and the rates are established by the publishers of the two newspapers. The rates for the combined advertising are also established by the publishers of the two newspapers.

Senator Everett: You split the profits fifty-fifty.

Mr. Balfour: Because one company owns the two newspapers.

Senator Everett: You say there is no combined rate for retail advertising?

Mr. Balfour: No.

The Chairman: How about department store advertising?

Mr. Balfour: No.

The Chairman: Mr. Auger will be able to go into detail with us this afternoon during the *Province's* appearance this afternoon.

Mr. Balfour: I am a director but not an officer.

Senator Prowse: By "general Advertising", do you mean national?

Mr. Balfour: Yes.

The Chairman: I do not want you to think you are on the stand, Mr. Balfour.

Senator McElman: Back to the supplementary: I want to deal again with the two great elements of operating costs, salary and wages and newsprint.

Presumably your people do hard bargaining on the local level. You refrain from any head office or across-the-board bargaining. You in fact have had a protracted strike, I take it, over this very thing.

Mr. Balfour: That is just one of the causes of it.

Senator McElman: Presumably there would be in your newspaper some editorial along the line about rising labour costs in general, not necessarily in one particular element, but in general.

Yet the other great element of costs you accept apparently at head office and at the local level a set price which is not negotiable and there is no strong outcry publicly or otherwise about it.

Do you not think that is an anomaly of attitude?

Senator Beaubien: Are you talking about the set price of newsprint?

Senator McElman: That is right. On the one hand hard bargaining and in the other, none.

Mr. Balfour: I think there is hard bargaining on the newsprint. We have not been very successful.

Senator McElman: Why would there be no public expression over a period of ten years of your inability to negotiate?

Mr. Balfour: Mr. Munro, would you answer that, please?

Mr. Munro: I am not sure whether it is correct to say that it is not negotiable. There is always the possibility that a newsprint company is going to give you a better break.

You asked me a direct question and I told you I couldn't answer it on this round but there is always that possibility open. I do not think it is completely closed.

Senator McElman: Has anybody ever been successful in it?

Mr. Munro: If they are, they do not talk about it. That is one thing.

Senator McElman: Quite.

Mr. Munro: I do not know. I have heard rumours of some companies—some newspapers have received a somewhat better deal with this last round, but I do not know.

Mr. Balfour: I think when you talk about newsprint rates somebody—not you Senator McElman—said freight rates excluded. There is an area for bargaining here in the cost of delivering paper.

Mr. Munro: This is an important area.

Senator McElman: Would you care to elaborate on that?

Mr. Balfour: Well, obviously, it is less expensive to ship paper from a mill which is close to a newspaper plant than it is to ship all across the Rockies to the *Edmonton Journal*, and some papers certainly are able to achieve a rate which is almost f.o.b. and then do their own trucking or their own freighting.

Senator McElman: Then really this is not...

Mr. Balfour: It changes the final cost to the newspaper.

Senator McElman: It seems to me the advantage here would still lie with the newsprint producer rather than the newspaper group.

Senator Beaubien: It all depends on supply and demand or individual, except for Mr. Bassett's paper, public outcry on behalf of the industry about the price of newsprint.

Mr. Balfour: No. I think there has been the past complaints about it. I do not think a company we have complained about it. I know that a number of years ago when newsprint was in short supply and the Canadian newspapers were not getting it, I did use power play to make sure that the newspaper did get a supply of newsprint.

Senator McElman: But supply was the situation then.

Mr. Balfour: Yes, the shortage. I have been talking about the other aspect of it, the price.

Senator McElman: Would you comment well—I do not believe there is a difference between domestic and export price. Is that so?

Mr. Balfour: Yes, there is.

Senator McElman: There is?

Mr. Balfour: Yes. The price in the east anyway is based on New York and there is a differential which is supposed to arise from the difference in freight, the cost of delivering paper to the American market and the Canadian market.

Senator McElman: Again largely based upon transportation.

Mr. Balfour: That is the theory.

Senator Smith: I had a question I wanted to ask later on but Senator McElman has touched on it. It is on the cost of newsprint. There has been asserted—and everyone has known this for some years—there has been a very tight combine in this newsprint thing.

Now, I do not know the management of any other newsprint manufacturing companies except one, and that is in my home town, Liverpool, Nova Scotia. They did not do very much of their business—they are part of the Bowater organization which does a little business in other parts of the country. The experience indicates to them that there is presently, at least, hard bargaining in the question of purchasing newsprint.

If I may be permitted to clarify this as background for you to answer.

Mr. Bassett, when he was down, made quite a plea for a further addition to differential which was at one time \$3 or \$4 and now, if my memory serves me right, is \$9 or \$10.

He suggested that there should be a tax incentive particularly directed to the newsprint manufacturing companies to enable them to increase their differential.

Would you think that would be a way to make the news publishing industry a healthy one in this country?

Mr. Balfour: Well, anything which reduces the cost of one of our major raw products would, of course, make newspapers economically more viable.

Senator Smith: My question was really: Do you think a tax incentive to the newsprint industry was the way to go about this?

Mr. Balfour: This is possibly one way.

I have not studied that question, sir. You said there is hard bargaining. There is hard bargaining when newsprint is not tight, but when mills are running at high operating rates, they are not very interested in doing things for customers, special things for customers.

Senator Smith: Of course, we are arriving pretty close to that situation today.

Mr. Balfour: It has certainly been tighter in the last year.

Senator Smith: We are able to arrive at a figure that on the consumption of newsprint of the *Toronto Telegram* from Mr. Bassett's figures—which did not take into account the difference in the American exchange between the Canadian and U.S. dollars—that the benefit to his company presently was in the order of half a million dollars a year. That is, even using his figure, and my figure was about \$1 million when you take into account the differential in the Canadian dollar values, but one of the things that made that differential was the fact that newspapers today are able to get varying credit. It may be 30 days in some cases, and in other cases it may go as high as 180 days.

Well, with interest rates as they are today, that is pretty substantial, of course.

Unless these Bowater people do not know what they are talking about, and their experi-

ence is an isolated experience in the Ontario market.

If they are not wrong there is and has been right up to the present time pretty hard bargaining, such that they could not afford to sell newsprint to the *Halifax Herald* on special terms if they were going to make that available in the Ontario market for the publishers up here, because it was not economical.

The kind of terms that were being given were not economical for this particular delivery from Newfoundland.

Mr. Balfour: There is only one point I would disagree with, sir, and that is that the Canadian newspapers are getting the benefit because of the exchange. The newsprint mills are getting the premium because of the exchange. These companies are in Canada where the Canadian dollar is legal tender. They are able to sell to the American market and get the benefit of the premium.

Senator Smith: Well, of course...

Mr. Balfour: We are not benefiting.

Senator Smith: ...but you also give the other side of that. Their price to the American publisher would have to go up to that extent for the most part. I think that is all I wanted to ask.

Senator McElman: Mr. Chairman, still on this matter of newsprint. Your member companies are strong supporters of the CDNPA, the Publishers Association?

Mr. Balfour: Yes.

Senator McElman: With the talk that we had expressed before this morning—perhaps in other words that—that things must not only be kosher but appear to be kosher, and since obviously the bargaining which reputedly goes on on the price of newsprint has not had any effect, has this matter been discussed at any length or in depth by the Publishers Association at any stage, do you know?

Mr. Balfour: There is a Newsprint Committee of the Can. Daily Newspaper Publishers Association which is headed by Mr. MacCallum of the *Halifax Herald*. He has been in correspondence with me and I presume with a number of other newspaper publishers about the newsprint and its supply and its cost.

The CDNPA as an association meets annually with the newsprint manufacturers. We seem to discuss everything but prices at those

meetings. There seems to be an unwritten law that price shall not come up at those meetings.

There is a similar meeting with the American newspaper publishers. The reason price does not come up is that it is an individual matter between the individual paper and the individual mill. It is not a matter for an association.

Mr. Fortier: Thank you, Mr. Chairman.

Mr. Balfour: In number 16, page 6 of your brief, you discuss and indeed you make a very good case for the tendency of the larger newspapers to drive the smaller paper out of the field. You recall that?

Mr. Balfour: Yes.

Mr. Fortier: Could you tell the committee why this phenomenon has not happened in Calgary and Winnipeg where you do have a strong newspaper and a weaker newspaper?

Mr. Balfour: I can tell you why it has not happened in Winnipeg. The *Winnipeg Tribune* is strong enough to withstand the *Free Press*...

Mr. Fortier: If it was independently owned do you feel the *Tribune* would have ceased publication?

Mr. Balfour: I think if the *Tribune* had been independently owned the owner would probably have come to a group and asked to sell his paper.

Mr. Fortier: To use an expression which was used earlier this morning, is it still bleeding?

Mr. Balfour: Is it still bleeding?

Mr. Fortier: You were referring to the Vancouver situation. You said that the bleeding point had not yet been passed. Has the bleeding point, so far as the *Tribune* is concerned, in Winnipeg...

Mr. Balfour: As far as the *Tribune* is concerned, it is still a viable paper.

Mr. Fortier: Is it making money?

Mr. Balfour: It is a viable paper.

Mr. Fortier: Is it a property which will continue to be viable within the Southam group, as you envisage it today?

Mr. Balfour: We certainly hope so and expect so.

Mr. Fortier: Would it be more viable if you had an agency type of agreement in Winnipeg as you do in Vancouver?

Mr. Balfour: We would have to go into the morning field in that case.

Mr. Fortier: This would be the reverse.

Mr. Balfour: There would be a benefit in that there would be common use of a plant of a certain plant.

Mr. Fortier: Have you ever looked into the possibility?

Mr. Balfour: We have never discussed it.

Mr. Fortier: Would you entertain such a suggestion in Calgary where your newspaper is in the dominant position?

Mr. Balfour: I would be reluctant to do in Winnipeg. I think I am speaking personally. I would be reluctant to do it in Calgary unless there was no other way in which the *Albertan* could be kept going as an independent newspaper.

I think it is better the way it is.

Mr. Fortier: You will recall I asked the question of Mr. Malone. Is there any sort of an unwritten agreement between the two newspapers in Calgary and in Winnipeg as circulation drives, for example, or attempts to get more advertising, and that sort of thing?

Mr. Balfour: No.

Mr. Fortier: I am sure you will recall a book that was written by Mr. Bruce about two years ago. It was entitled "News and the Southams".

I believe it was commissioned by the Southam Press.

Mr. Balfour: Yes, the Southam Press.

Mr. Fortier: There are on pages 99 and 100 of that book references to what the author calls "Working arrangements between the *Ottawa Citizen* and the *Ottawa Journal*"?

Mr. Balfour: Yes.

Mr. Fortier: In miles of circulation and miles of advertising. You are well familiar with this?

Mr. Balfour: Yes.

Mr. Fortier: The author also seems to indicate that those arrangements are no longer in existence.

Mr. Balfour: That is correct.

Mr. Fortier: So my question to you is: Were there at any time any similar arrangements in Calgary or in Winnipeg? To be pure today is one thing. To have always been pure is another thing.

Mr. Balfour: I am not sure about Calgary because the *Albertan* was in very great difficulty during the depression—and this is where I had an executive position with the company—but my recollection is that we gave some financial help at one time to the *Albertan*, or did something, but I am not...

Mr. Fortier: Is there anyone in attendance here, Mr. Balfour...

Mr. Balfour: Nobody here would know this. This is long, long ago.

Senator Prowse: Would that be while the Social Creditors owned it?

Mr. Balfour: I doubt it.

Mr. Fortier: So these working agreements which were in existence in Ottawa are no more?

Mr. Balfour: That is correct, and Ottawa was the only place there was one.

There was a circulation agreement in Ottawa, the details of which I have not with me, but the proportion of the circulation market in the city and in the country was made from a period and if it varied by a certain percentage, above or below that, the second paper was entitled to do all the promotion and the leading paper would stop promoting until the balance was restored.

In fact, at one time there was a common circulation bureau and this broke up at the time of the strike in 1946.

Mr. Fortier: Is it possible, Mr. Balfour, that the effect the end result of the Pacific Press arrangement in Vancouver is the same as what prevailed here in Ottawa between the *Citizen* and the *Journal* some years ago?

Mr. Balfour: I had never thought of it that way.

Mr. Fortier: Is it possible?

Mr. Balfour: No, I do not think so. I think the Pacific Press has far more corporate involvement in Pacific Press than there was in Ottawa. You still had two competing evenings

in Ottawa, with an undertaking that one would not put the other out of business.

Mr. Fortier: But in effect because of the extent to which one of the newspapers in Vancouver would be called upon to subsidize the other one, should the other one not do well, I would think that the first newspaper had an interest in seeing that the matters are balanced out, so to speak? I am really just asking a question.

Mr. Balfour: I can just tell you, Mr. Fortier, that Mr. Malone does not agree with that theory at all. He believes that they should do everything to keep the *Sun* as powerful a paper and as large a paper as it is possible.

Mr. Fortier: But theoretically, you can follow my reasoning that the *Sun* and the *Province* should have somewhat similar results at the end of the year and it is in the interest of both newspapers to see to it that the other one does reasonably well, failing which in fact it will have to subsidize the other one.

Mr. Balfour: That is not so.

Mr. Fisher: I guess the point is simply this, Mr. Fortier. It does not necessarily follow that Pacific Press will make more money by the *Sun* giving up some profits so that the *Province* can have some more.

Mr. Fortier: No, but it could happen that way.

Mr. Fisher: The economic studies do not suggest it would happen that way.

Mr. Balfour: I suppose that there is a clear suggestion that if in fact the *Province* were to be discontinued, that Pacific Press may make more money than it can do any other way, but that is not the determining factor in the arrangement.

You referred earlier to the type of working arrangement that existed in Ottawa some time ago. There is no way in which the officers of F.P. Publications can stop the officers of Southam Press through their interest in the *Sun* Publishing from spending exactly what we want to promote circulation, or encourage advertising, or any other expenditure in the *Province*.

Mr. Fortier: Do you see a point in time, gentlemen, where—I think I will take the Calgary situation where you are in the dominant position—it may be in the interest of the

reading public which, as you say, should be exposed if at all possible to two points of view emanating from the written press—do you see a point where it may be in the interest of the public to enter into that sort of working arrangement with the paper in Calgary so as to prevent the *Albertan* from disappearing?

Is that a valid hypothesis?

Mr. Balfour: It could happen. I do not know what the *Albertan's* financial position is. I do know it has a commercial printing plant which I believe is attached to it. It does contract printing for such people as the *Financial Post*. It publishes the western edition of the *Financial Post* and I think it does everything it can to keep that company going.

I do not believe that it would have kept going if it had not been owned, I believe, by F.P. or prior to that by Mr. Bell as an individual who has other resources, but I do not know.

Mr. Fisher: Mr. Fortier, I think that when Pacific Press was investigated by the Restrictive Trade Practices Commission and they made its report, this report validated, if I may use that word, the existence of Pacific Press and the arrangement largely because it would give a second editorial voice in Vancouver, and I think we felt that was a good conclusion.

Mr. Balfour: I would have to admit the situation might arise in Calgary where exactly the same circumstances would come to pass.

I think Mr. Balfour testified at the time of the Pacific Press hearing that it was the last recourse, that it was one that the company instinctively resisted, and at the time we did reach an agreement with the Cromie family, it has come to pass since that we are partners with F.P. Publications which is the other largest newspaper publishing company in the country probably, and I hope that the officers of F.P. Publications who are here will not misunderstand me when I say that they are the people that we instinctively least want to get into that sort of arrangement with in any other community.

Mr. Fortier: I was going to ask you that question: Whether you were surprised when you woke up in bed with F.P. at one point?

Mr. Balfour: Yes. I think the point is that...

Mr. Fortier: Mr. Malone said you were.

Mr. Balfour: Yes. For all the obvious reasons we do not look forward to the day in Calgary when that type of arrangement might be the only logical arrangement and least of all of the people we want to seek it we happen to be the publisher of the paper there.

Mr. Fortier: You have made that point very clearly. I was interested earlier this morning. I believe to the Chairman's question from the Chair, that you did not at head office read the editorials published in newspapers belonging to the group on any given day.

Mr. Balfour: That is correct. I cannot do it.

Mr. Fortier: I think you added to a supplementary question that there was no one either at head office whose responsibility was to specifically read all the editorials of your member newspapers.

Mr. Balfour: Every day, no.

Mr. Fortier: And I would presume that statement is valid also to the news content of the newspapers?

Mr. Balfour: Yes. I read some of the new papers, but not all of the newspapers, and do not read them every day.

Mr. Fortier: Because you said one of the reasons for that was because you had faith in your publishers.

Mr. Balfour: Yes.

Mr. Fortier: I am forced to ask you that question. If you do not do this sort of constant reading, on what do you base this faith in your publishers? How do you keep up with the way your publishers are reporting?

Mr. Balfour: We are constantly visiting. I visit all the papers at least twice a year. Gordon Fisher visits. Peter Southam visits. John Ward visits. Peter O'Brian visits. We do. We all read when we are there. It is very much easier to judge a newspaper if it is read when it is fresh in its own community than when it is after Mr. Kierans has taken a week or so and get it down to us.

The Chairman: I should perhaps say that Mr. Kierans is going to have equal time on the committee. He will be here, I think, on February 11.

Mr. Fortier: The night Toronto is playing the Montreal Canadiens, Mr. Chairman.

The Chairman: That is correct.

Mr. Fortier: But is there any scrutiny of professional standards, Mr. Balfour, in the individual newspapers which belong to the Southam group?

Mr. Balfour: Well, scrutiny of professional standards is, of course, by the publishers of those newspapers, and these are people who are just as experienced—and in many ways a great deal more experienced than I am—in the publishing business.

All our people are pros who know their business and they are just as capable of running a good newspaper as any independent publisher.

Mr. Fortier: So we cannot speak of central scrutiny. We can speak of a number of different scrutinies, so to speak, is that correct? There is no central supervision from Toronto?

Mr. Balfour: That is right.

Mr. Fortier: In so far as professional standards of the individual newspapers are concerned, an analysis thereof or an appraisal thereof is left to individual publishers.

Mr. Balfour: No, not entirely, because as I said I do read some newspapers but I do not read them all every day, but neither does anyone else. We read them often enough and we look at them often enough to know whether the newspaper is doing its job.

Mr. Fortier: Do you have occasion to comment to your individual publishers on this point of professional standards?

Mr. Balfour: Sometimes I make suggestions that have they considered doing thus and so.

Mr. Fortier: What I am trying to get at is: Is this an advantage or disadvantage of group ownership that there be available, you know, a sort of central clearinghouse.

Mr. Balfour: There is a central clearinghouse and I think this is an advantage, and as I said earlier there is an advantage that these publishers all know their part of the organization and they do meet regularly and they fight among themselves and with us about their newspapers. They report and discuss before the whole board. They discuss the news service. They discuss selling of advertising. They discuss problems they may have with circulation. They tell us their plans. We are very familiar with, but not keeping a finger on, the individual.

The Chairman: That is the central clearinghouse to which you are referring?

Mr. Balfour: Yes.

The Chairman: How often are those meetings?

Mr. Balfour: Quarterly.

Mr. Fortier: There have been many references—I do not recall they are in your brief from memory—to decency and good taste, you know, which are some of the principal factors involved in writing editorial opinion, or even in publishing news.

Mr. Balfour: Yes.

Mr. Fortier: In the eventuality in one of your Southam newspapers, there was an editorial which at head office you generally felt was of distinct bad taste, would you do anything about it?

Mr. Balfour: If I thought something was in bad taste, I would probably ask the publisher "why"? Or say "I thought it was in bad taste, why"?

Mr. Fortier: Has this ever happened?

Mr. Balfour: No.

Mr. Fortier: Do you issue any guidelines with respect to such things as news treatment from Toronto to your individual publishers?

Mr. Balfour: No.

Mr. Munro: No, none at all, Mr. Fortier.

Mr. Fortier: Typographical format, for example?

Mr. Balfour: We certainly discuss that but the final decision lies in the hands of the publishers.

Mr. Fisher: There are no directives from head office.

Mr. Fortier: On this point of professional standards and directives from head office, I would like to refer to two news reports which deal with the workings of this committee, as a matter of fact, and one of which was published in the *Calgary Herald* of September 13, 1969, under the following by-line:

"Media Research Reports Ready".

It is indicated underneath this that this is an article by Robert Cohen of the *Herald's* Ottawa bureau, copyright 1969.

Two days later on September 15, 1969, there was published in the *Winnipeg Tribune* the very same article with one word which had been changed only, and I see here that the clipping from the *Tribune* is entitled:

"Press, Radio, TV Inquiry starts here December 9",

and then it is written "from Robert Hill in Ottawa, *Tribune* staff correspondent". Would you explain this?

Mr. Balfour: Both these publishers will be on the stand this afternoon. They will have to explain it. I cannot.

I would suspect this was a typographical error probably, with due respect to the *Tribune*, on the part of the *Tribune* because I think Bob Cohen was in Ottawa at that time and Bob Hill, I think, was in Quebec.

Therefore what happened was that somebody presumably in the composing room has dropped the wrong set of slugs in.

Mr. Fortier: Now, obviously if you had read your newspaper on a day-to-day basis, this is something which you would have picked up in Toronto.

Mr. Balfour: I might have.

The Chairman: Just to follow up on that point. It says Robert Cohen, the *Herald's* Ottawa bureau.

Even if Mr. Cohen's name would have appeared, would it have said "by Robert Cohen from the *Herald's* Ottawa bureau"? Would that have been the description which would have appeared in the *Winnipeg Tribune*?

Mr. Balfour: What did they say?

The Chairman: This is Robert Hill, whom they called the *Tribune* staff correspondent. What would they have called Mr. Cohen?

Mr. Balfour: They would have called him the *Tribune* staff correspondent, I would say.

Mr. Fortier: My question to you as the President of Southam Press now is: Do you consider this to be good newspaper practice?

Mr. Balfour: Mr. Fortier, this is an error and this happens in the best regulated newspapers. We all dislike them very much.

I have no doubt Mr. Williams and Mr. Swanson will go back having heard this and raise hell.

The Chairman: I think we are frank enough to say if the error had not happened on the coverage of this particular committee, we might not have noticed it.

Mr. Fortier: Yes. I am not going to follow that up with other sentences; but on the matter of Southam News Services, I would like to ask a couple of questions, if I may.

Are you satisfied with the Canadian Press coverage of national and international events?

Mr. Balfour: I think Canadian Press coverage of national events is very thorough. Because it is shaded sometimes, the coverage is greyer than it might be if the individual correspondent were writing for an individual newspaper. He has got to write in such a way; the whole thing has to be very, very careful.

Does that answer your question?

Mr. Fortier: Yes.

Mr. Balfour: On international coverage as we said here, it is a matter of dollars and cents. It just is not feasible in my opinion for Canadian Press to afford correspondents everywhere in the world to cover news for Canadians. It is filtered in as best they can do within their budget.

In New York, London, Washington, Paris and so on, the news, which is collected by Reuters, A.P. and Agence France Presse filtered through the C.P. bureaus in those cities for the Canadian market, but ideally this news should be written by Canadian because the Canadian angle is sometimes missed because an American or a Frenchman or an Englishman is not as familiar with the Canadian problem.

Mr. Fortier: Is this one of the reasons why Southam News Services exists?

Mr. Balfour: Yes.

Mr. Fortier: To complement the Canadian Press in correcting this or supplementing which is the word?

Mr. Munro: I think supplement.

Mr. Fortier: Within the Southam News Services, would it be possible for head offices in Toronto to kill a story emanating, let us say from Ottawa under Mr. Charles Lynch by-line?

Mr. Balfour: It has never happened and I think, as far as I am concerned, it would

impossible because the judgment of whether a story goes in or not is the judgment of the publisher and the editor of the paper concerned. We do not become involved in that.

The Chairman: May I, just on that point, say I think Mr. Lynch the day he was here representing himself as a member of the Press Gallery made that clear that nothing like this had ever happened.

I think Mr. Fortier's question was: Could it happen?

Mr. Balfour: No, it could not happen.

I think perhaps I should ask Mr. Munro to answer that question. He is the Chairman of the Publishers Committee of the board of Southam Press, delegated to that committee, having authority to run the News Services. I am from Southam News Services; articles in

Mr. Fortier: How does this work? How do these articles come to be published emanating both by columnists, let us say.

Mr. Munro: I would be pleased to tell the committee this. The News Services have been going for quite a few years. It really started way back in the thirties when Senator Bishop of the Upper House was a member of the News Services and did a remarkably fine job.

It has now developed to where we have 14 men, some of our most highly qualified writers working for S.N.S. That is the way we describe it. There are eight here in Ottawa, there are six other bureaus, and you have the files of the bureaus in the material.

It is run by Charles Lynch as the director of the News Services and Patrick O'Callaghan as the executive editor. He has been there for about ten months.

Now, that is the management, the two of them. Each day writers are assigned to probably the most important and interesting stories or what looks like the most interesting in their particular areas.

These fellows, of course, have to be self-starters; although they get some direction from Ottawa, such as a suggestion that perhaps this Wilson speech should be covered, or some situation in Bonn should be looked at, but each day the writers develop one at least or maybe two stories and they are put on a priority good communications system that we do not have. At night we file over the Canadian Press wire, a setup that Gil Purcell arranged

for us before he retired. This is very good. We get a good file at night.

And then in the morning we have a very high speed communications system on a Telex right across the country.

Mr. Fortier: Before these stories are communicated...

Mr. Munro: Yes.

Mr. Fortier: Are we to understand it is S.N.S.'s exclusive responsibility to decide whether or not they will be circulated?

Mr. Munro: This is done particularly here in Ottawa by Mr. Lynch and Mr. O'Callaghan.

Mr. Fortier: And they are the sole judges as to whether or not a particular story will be put on the wire.

Mr. Munro: As Chairman of the committee, I have nothing whatsoever to do with that decision. That is a functional, operational decision made right in the bureau and then, of course, when the stories reach the paper, as I said in my brief, the copy is not sacrosanct. I have killed some of Lynch's columns on occasions. I thought he was getting in the libel area. I should explain that.

Mr. Fortier: Did you phone him before killing it?

Mr. Munro: No. I just killed it, but the editor is on the receiving end.

All 11 editors have the freedom, of course, like I have with the Canadian Press, or any other, New York Times editors, to select what you consider the most interesting and significant stories of the day. That is the way it works. I think I have answered your question.

Mr. Fortier: Yes. Did you run Charles Lynch's column on Mr. Malone last week?

Mr. Munro: Oh, with relish, yes. I was with Charles in the days he was talking about.

The Chairman: Do you sell these services to other non-Southam papers?

Mr. Munro: We have investigated this and we have not had much success with it because the cost of these services is very high. If we could recover some of it, it would be very helpful, Senator Davey, but we have not had any takers.

Charles Lynch's column ran, I think, in the *Saskatoon Star-Phoenix* occasionally and in

the *London Free Press*, but the cost of these News Services is getting quite high.

Ten years ago it was about \$80,000 a year and now it is crowding \$450,000.

The Chairman: I think that the South Star arrangement—perhaps we will return to that. I did not want to ask you about that specifically, but did not Mr. Lynch's column appear for a while in the *Toronto Star* at the beginning of that arrangement?

Mr. Munro: When Ralph Allen was editor, I think they were...

The Chairman: There were some Lynch columns in the *Star*.

Mr. Munro: For a period, yes.

The Chairman: May I turn to some of the senators, please, Mr. Fortier, because it is getting late. There are many of the senators who want to ask some questions. I believe Senator Everett is next.

Senator Everett: Mr. Balfour, I wonder if you could tell me of the newspapers which you control which are unionized?

Mr. Balfour: I think they all do in varying degrees, Senator Everett. Some completely, some not as completely. I do not think there is any newspaper which has not at least one union in it—except the *North Bay Nugget*. There is no union in the *North Bay Nugget*.

We have a list here if you would like to be more specific.

Senator Everett: No. I would like to take one paper that has all the unions and understand what unions it has and what those unions do.

Mr. Balfour: The *Ottawa Citizen*, I think, is the most unionized. It has the Guild. It has just been certified by the International Typographical Union although it is still negotiating a contract. It has the stereotypers and the pressmen and mailers.

Senator Everett: The Guild would deal with the editorials.

Mr. Balfour: The Guild, as it was described the other day, is an industrial union and it deals with most of the white collar people in the *Citizen*. I think the advertising department is not involved.

Senator Everett: The other unions again are...

Mr. Balfour: The International Typographical Union, the Guild, the Stereo and Electro-typer.

Mr. Fisher: There is no pressmen union.

Mr. Balfour: ...and the Mailers Union.

Senator Everett: I am sorry, I did not hear that.

Mr. Balfour: IMU, International Mailers Union.

Senator Everett: This is a very general question but I would be interested to know. Can you tell me some of the practices that these unions indulge in that add to the cost of operating a newspaper? I am thinking especially of excess manning and featherbidding.

Mr. Balfour: Mr. Malone raised these questions the other day and I think they apply to Pacific Press perhaps to some degree.

We have the International Typographical Union in other competitive cities so it does apply there.

Generally speaking our relations with union in our newspapers—and when I say “newspapers” I am not including the print operation—are very good. We have had excellent co-operation in the introduction of mechanization in automation in Hamilton, Winnipeg, Calgary and Edmonton where at the present time, we are in the process of either—have been or are in the process of changing the production processes.

There are, of course, arguments with unions at negotiating time. They want more jobs and we say you can run the press with fewer people. This is part of the normal bargaining process.

Senator Everett: Are there any of the practices which add substantially to the cost of operating a newspaper?

Mr. Balfour: They certainly add to it but I would not say that in our newspapers generally we have these specific problems to which Mr. Malone referred the other day; but I think the individual publishers are in a better position to answer that than I am.

They know what they are, either manning or other problems they have in their plants.

Senator Everett: Then, we will leave it until the individual publishers appear.

In the brief you make a statement, item 18 on page 7, and you say:

"Because this company accepts as a desirable goal an increase in the number of viewpoints being expressed within a community, it established a number of years ago a policy that it would not own or manage more than one mass communications outlet within any single community. As a result of this policy, the company sold, in 1960 the controlling interest in two radio stations, in Calgary and Edmonton. Since that time the company has expanded its total interest in broadcasting but only as an investor—not an operator."

Just dealing with these two stations, as I understand it you still retain 40 per cent of the equity of Calgary and Edmonton.

Mr. Fisher: The answer to that, Senator Everett, is "yes", although I would like to refer you to a statement which appears in the report of the directors. This is in the Annual Report, on page 10 of the Annual Report, which is in the back of the brief, and it reads:

"Some years ago the company established a policy whereby it would not manage or control broadcasting properties in cities where it publishes daily newspapers. In 1960 controlling interests in radio stations in Calgary and Edmonton were sold to Selkirk..."

Text paragraph:

"Since that time *Southam's* interest in the electronic media has been that of an investor only. The company has not for some years been responsible for the management or operation of any broadcasting property."

Senator Everett: Right.

Mr. Balfour:

"We have now adopted a policy of consolidating, where possible our broadcasting investments. A specific objective is to eliminate those situations in which both this company and Selkirk holds interests in the same properties. Agreement in principle has been reached with Selkirk to this end. Any changes in ownership which result will require the approval of the Canadian Radio Television Commission."

We have negotiated the sale of 40 per cent of Calgary and 40 per cent of Edmonton radio

to Selkirk and these will be before the CRTC in due course.

Senator Everett: Let us follow that through then. I understand your company holds 35 per cent interest in CHCH-TV.

Mr. Fisher: That has also been negotiated and that is going before the CRTC in February.

Senator Everett: When you sell that interest, along with the other shareholders, to Selkirk you will hold 30 per cent of the voting shares, I think, and 30 per cent of the equity shares.

Mr. Balfour: Approximately.

Senator Everett: According to our calculations when you sell your 35 per cent of CHCH to Selkirk, you will own 42 per cent of the equity shares of Selkirk?

It would seem to me when you sell 40 per cent of Calgary and 40 per cent of Edmonton, you will be the majority equity shareholder in Selkirk.

Mr. Balfour: Yes.

Senator Everett: That will bring you...

Mr. Balfour: I am sorry. That would be the case if Selkirk was not using any of its equity of non-voting shares for other purposes, but Selkirk is using treasury shares for other purposes which will result in an increase in the number of treasury shares outstanding, which will reduce our interest in the company.

Senator Everett: Have you any idea to what roughly it will reduce that interest?

Mr. Balfour: If the CRTC approves the sale of Niagara to Selkirk from its present shareholders and the shares of all the other companies in which we now have an interest, and if it approves the other deals which Selkirk has made, one involving CKOY radio in Ottawa and Ottawa Cablevision...

Senator Everett: Do you intend to sell that to Selkirk as well?

Mr. Balfour: We have an interest in CKOY which is being sold to Selkirk.

If the CRTC approves all these arrangements then, depending upon the sequence with which they approve them, and depending on how many shares Selkirk uses for other purposes, we think we are going to end up with about 30 per cent.

Senator Everett: About 30 per cent. What would your high be when you have sold all your interests? Have you calculated that.

Let us assume that there is no issue of treasury shares.

Mr. Balfour: The issue of treasury shares has already been completed. Two hundred and seventy thousand were sold to the public last week.

Senator Everett: Bringing your interest in Selkirk now to what?

Mr. Balfour: I do not know. It could be calculated, but I do not have the figure in my head right now.

Senator Everett: The point I am trying to make is that I realize, or at least I assume—in fact I know—you have been scrupulously careful not to control Selkirk in terms of voting stock.

Mr. Balfour: We have told the CRTC and I have said publicly that we seek neither the control of the shares nor the majority of its equity.

Senator Everett: That was the point I was concerned about. If you get to the point where you own more than 50 per cent of the equity, in a company such as yours that gives wide latitude of freedom to its publishers and editors and subsidiary companies, that would in your terms constitute a broad control.

Even 30 per cent of a company that is holding as wide interests in broadcasting as Selkirk, still in your terms is a form of control.

Mr. Balfour: I do not think so.

Senator Everett: You are very relaxed about your control.

Mr. Balfour: I do not think so, Senator Everett, because Selkirk has a most peculiar share structure. It has got A and B shares. There are only 2,000 B which are issued to a Board of Directors of ten.

Senator Everett: We are aware of that.

Mr. Balfour: And of this we have three on that board, but the others have nothing to do with us. They are quite capable of exercising their own opinions and their own decisions.

Senator Everett: That is often the Southam method, is it not?

Mr. Balfour: I beg your pardon?

Senator Everett: That is often the Southam method. You can put yourself in the operation of a newspaper, for example, of allowing publisher a very wide latitude and, as I see, you are very relaxed about it.

Mr. Balfour: I do not think the analogy the same in this other company, the majority of the directors of which are not Southam directors.

Mr. Fisher: It is an interesting business hypothesis, senator, that the more relaxed the minority shareholder is the more control has over the company. I think this is a very interesting thing.

Senator Everett: I thought it was rather interesting too.

Senator Prowse: That is why he is relaxed.

Senator Everett: Nevertheless...

Mr. Balfour: Perhaps it could be said that the B shares...

Senator Everett: I just wonder if you were not begging the question by having such enormous equity interest?

Mr. Balfour: Because we are keeping about 30 per cent, I do not think we are begging the question. We were 30 per cent when Selkirk was formed and we have just kept it at about that level and as recently last week or the week before last, we had called offering us a large block of shares and said "No".

Senator Everett: And these treasury shares will be issued to the general public, will they?

Mr. Balfour: I do not know the details of that.

Mr. Fisher: They are going to the general public, senator, in the sense that they are going—as far as I know—to any existing shareholders of Selkirk.

It is not a public issue in the full Securities Exchange definition of the term in that they are being offered to a limited group of institutions which presumably have them in quite large lumps.

I have been told they were sold successfully very quickly. I do not know who bought them.

Senator Everett: Are you contemplating a secondary offering or is it just the dilution?

truth of the issue of more treasury shares which you held?

Mr. Balfour: That particular transaction was a dilution of our interest because of the increased number of treasury shares issued.

Senator Everett: Yes.

Mr. Balfour: We are not contemplating a secondary offer, no.

Senator Everett: It is your policy to maintain a 30 per cent equity interest, but no more.

Mr. Balfour: About that.

Mr. Fisher: I do not think we would continue at 30 per cent exactly.

Mr. Balfour: But that is where it has been for a number of years.

Senator Everett: Well, we are looking into definite future now and you are talking 30 per cent?

Mr. Balfour: Yes.

Senator Everett: As an objective now?

Mr. Balfour: That is bringing it down to 30 per cent, yes.

Senator Everett: Yes.

Mr. Balfour: Perhaps we could put it on record. The B shares which are really all voting shares that the directors own are transferred only with the approval of the CTC.

Senator Everett: Yes.

Mr. Munro, in your brief you say "I am convinced that it might be advisable to establish regional councils." You are talking about press councils.

"I would not be unhappy about a Western Press Council. It could wear a hair shirt for us all and we would take our lumps if and when we deserved them. There is a lingering question of how practical it would be. Would the public be any better protected and would they get better newspapers?"

Now do you see this Western Regional Press Council being formed, under what agency?

Mr. Munro: You are familiar with the structure of the British Press Council?

Senator Everett: Yes.

Mr. Munro: There are representatives of the public. There is probably a lay chairman, representative of the newspaper business. There is no representative from the government. Probably if it is going to work at all, it has to be absolutely free of Government participation and it is financed by the newspapers.

Senator Everett: Will the constitution be developed by the newspapers?

Mr. Munro: Along the lines of the British Press Council. They have been in business for quite a few years now. Their structure seems to work. Whether the net result is effective is open to argument, but the problem about the Western Press Council—it is a very hypothetical suggestion of mine.

Frank Watson and I have talked about it. Fred Malone and F.P. are so opposed to it, you could not get their participation probably. You could not very well have a Press Council that does not serve the public in all aspects.

Senator Everett: What we are interested in is your view at this stage more than its practicality.

I noticed Mr. Williams in his brief said:

"Despite this conviction about the integrity of newspapers as a whole, I would favour the establishment of a Press Council along the lines in Britain. It would be reassuring to the public to have an assessment of an independent party."

Would you go that far?

Mr. Munro: I have still got some doubts. I do not quite agree with Mr. Williams to that degree, no.

As I say, I am not convinced of this yet. I think the people in our business have to do an awful lot more talking about it. They only started to talk about this thing within the past year or year and a half to any degree.

Senator Everett: Mr. Balfour, you say in item 46:

"On balance, it would seem that the establishment of a court of appeal in the form of a Press Council modelled on the British example would enhance, rather than harm, the reputation of a responsible newspaper and its editors. We would oppose one established by government

because it would become a creature of government."

Do you then agree with Mr. Williams' opinion?

Mr. Balfour: Generally I think that a press council would serve a useful purpose. I think a court of appeal would take the heat off newspapers. I think in rare circumstances it might have to deal with a complaint and issue censure.

Generally speaking, I think it would justify the position taken by the individual newspapers. I also think it has a second major value and that is in the defence of the freedom of the press against the Government at all levels.

Within the last week the British Press Council has been attacking vigorously some legislative proposals in the British House of Commons because in its judgment these will infringe on the rights of the press.

I think it is very much easier for the public to accept an independent judgment of a press council which is not preaching in favour of special interest than it is for a government to accept the screams from newspapers who may be preaching to protect themselves.

Senator Everett: How would you overcome the difficulty of which Mr. Malone speaks in establishing a press council? That is, Mr. Malone's opposition in this particular instance.

Mr. Balfour: I have no answer to that. We have talked about it in Ontario. There would have to be a large enough number of newspapers ready to support it to make it work, and if it worked then I think the others who aren't willing to participate now might feel later that they should join.

I think public pressure might make them change their minds.

Senator Everett: So it could be started in this way.

Mr. Balfour: I think that is the only way. My personal hope is that the one they have been working on in Quebec will be established and then it will show that it performs a useful purpose and it will show how this can be done, the mechanics of it, and then we can perhaps learn from them.

Senator Everett: Thank you, Mr. Chairman.

Senator Sparrow: In your brief at item number 58 you refer to the Associated Press Managing Editors Content Committee and its Sections A, B, C and D, you briefly outline their findings of the criticism given to the press in the United States.

Perhaps I should read it into the record.

"A. Editorial prejudice shown by placement of stories, size of headline, unbalanced story content and length of stories, particularly in coverage of political events.

B. Half told stories resulting from poor standards of reportorial research into the background of news stories.

C. Too succinct, imprecise, misleading or inaccurate headlines.

D. Over-attention to sensational news of violence and insufficient attention to serious news of community-wide consequence."

Now, you did not elaborate in that particular section as to whether you agree that this is in fact true in Canada, and would you have any comments on that?

Do the reading public in Canada generally feel that this is the case?

Mr. Munro: Senator Sparrow, I refer to that in my brief—as a matter of fact, I use some quotes from that report, and I said does apply in some degree in Canada.

If we get criticism like this on a daily paper, we try to reduce them and limit them as much as possible, but we get them.

This is a daily struggle on any newsroom operations to avoid and limit this sort of thing. Really they focus right on some of the major problems.

Senator Sparrow: So if a survey were conducted in Canada, you would assume similar findings would be reached?

Mr. Munro: Rather similar comments would be made. I would think probably when you take our 100-odd papers and compare them with 100 similar ones in the States, I think probably you would get a better reaction about public reaction from the Canadian side. Some of the American papers are really pretty bad and we have very few bad ones.

Senator Sparrow: You are quoted, Mr. Munro, as saying:

"Charges of a credibility gap between newspapers and the public are painful."

disconcerting, says Ross Munro, publisher of the *Edmonton Journal*.

Mr. Munro told the annual Newspaper in the Classroom seminar in Edmonton: "The most biting lash that ever falls across my back is when some thoughtless soul makes the sweeping generalization, 'You can't believe what you read in the papers...'"

Mr. Munro added that coping with such statements gets a person into tangled arguments for 'we all realize there are plenty of statements we don't believe that are printed every day in newspapers, in magazines, or heard and seen on the air.'

"He said that he did not believe in, put much trust in, or have faith in many statements made by politicians."

Isn't that a rather sweeping generalization out which you are critical in the paragraph and that statement you expect the public to believe this?

Mr. Munro: This is one of the lashes that comes on his back. I was using that as an example because public life and political life is controversial. People make statements here every day in the House of Commons and the Senate that I do not necessarily have to believe in but we report them. That was the point I was making.

The reader sitting out there—we print material, speeches, and all kinds of different things. We do not expect him to believe it all because he has his own opinions to form. All we can offer is maybe a presentation of what people are saying and lay out the options as they become available to us, but the cold presentation of what you believe in the paper, it is wide open.

That is the point I was making to the teachers. You will excuse me if you think I was attacking politicians totally—not at all.

Senator Sparrow: You still agree with that statement that you made, that you do not put much trust or much faith in the statements of politicians?

Mr. Munro: No. I think that is not exactly in the context of the total speech, if you do not mind me saying that.

Senator Prowse: You have been misquoted.

Mr. Munro: I did not say that.

Senator Sparrow: In item 55 you say:

"We do claim that our function is best performed by people who have no political, business, or other special interests..."

Do you have in your group what you call Liberal and Conservative newspapers, or at least newspapers in some instances who take editorial stands?

Mr. Balfour: Yes, indeed.

Senator Sparrow: How do you relate that to your statement?

Mr. Balfour: I think we are talking here about the ownership of newspapers.

Mr. Fisher: I think perhaps we are talking...

Mr. Balfour: You have asked the question, senator, whether we have Liberal or Conservative newspapers. I guess you will have to ask the publishers and editorial staffs of those newspapers as to whether they consider themselves Liberal or Conservative.

I think perhaps most of them would answer by saying they are all independent personally, but from time to time subscribe to and support given candidates for political seats, or parties.

Senator Sparrow: If a newspaper is considered through its background a Liberal newspaper, do you try and maintain that tradition as such so that the editor or publisher who would come in would be—if it was a Liberal paper—of Liberal thinking or Liberal background?

Mr. Balfour: Are you asking: Do we ask him his politics before we appoint him?

Senator Sparrow: Yes.

Mr. Balfour: No.

Mr. Fisher: Nor do we seek any pledge from a publisher as to what politics he is going to pursue, and of course they change them.

Senator Sparrow: Have you any examples of a newspaper changing from being traditionally Liberal to Conservative?

Mr. Munro: The *Journal* is a good example. We are right in Tory country almost. It was pretty solid Tory. In the last election we came out, after a lot of thinking, because it was an interesting decision, and supported Mr. Trudeau and the Liberal party.

They had supported another Liberal some time in the past, but generally it has been Tory for many, many years, and when I was at the...

The Chairman: Excuse me. Did that decision cost you some readers?

Mr. Munro: No, it did not, not that I am aware of.

The Chairman: The point being that John Bassett when he was here said his 1963 switch cost him 10,000 readers and the *Globe and Mail* also switched in 1963 and said it did not cost them any readers so I was curious to see what had happened in Edmonton.

Mr. Munro: No, it was not noticeable or discernible at the time.

The Chairman: What about in Winnipeg?

Mr. Munro: In Winnipeg, it has been traditionally—Ron Williams will be here this afternoon and if you do not mind, I would rather make no comment about this.

The Chairman: I wanted to ask Senator Sparrow how many more questions he has?

Senator Sparrow: Just a couple of short ones.

The Chairman: Are there any other senators that would like to ask questions?

Senator Beaubien: I have one, Mr. Chairman.

Senator Prowse: I want to ask one question. I would like to ask it of Mr. Munro, because he is here now.

The Chairman: It does not apply to this afternoon?

Senator Prowse: No. It applies to a particular situation in the *Edmonton Journal* which I think would be of interest.

The Chairman: It being five minutes past one, I am wondering and I am going to suggest that we adjourn now until 2.30 p.m., subject to the committee's feelings, and at 2.30 p.m. we perhaps take half an hour, from 2.30 to 3 o'clock and then rather arbitrarily at 3 o'clock we will turn to the discussion of the newspapers.

Would that meet everyone's approval because in a sense if we try to finish now we will be through the lunch hour.

I would suggest we come back at 2.30 p.m. and have Senator Beaubien, Senator Sparrow and then Senator Prowse ask their questions and then at 3 o'clock we will turn to the papers.

The Committee adjourned at 1.05 p.m.

(Upon resuming at 2.30 p.m.)

...Continuation of Southam Press Limited.

The Chairman: Honourable senators, if I may call this session back in order, I would remind the senators that before we proceed to the questioning that I am most anxious to terminate the Southam Press Limited part of the presentation by 3 o'clock, although I am sure Mr. Balfour and his confreres will be here for the rest of the afternoon and available for questions. As far as the formal presentation is concerned, I would think that we might terminate in half an hour.

When we adjourned I think Senator Sparrow was asking some questions.

Senator Sparrow: I have just two short ones for explanation purposes. In number 53 of your brief you refer to pressure groups. How do you define a pressure group as it affects a newspaper?

Mr. Balfour: Senator Sparrow, I think the committee in its questionnaire to us referred to pressure groups. This is merely an answer to say there were no pressure groups exerting any pressure at the corporate level. The individual newspapers have to answer for themselves.

Senator Sparrow: You didn't really define it as such. The guidelines did not define it as such either.

Mr. Balfour: There are none of any kind—political, economic, or from our customers.

Senator Sparrow: All right. In the Guidelines for Briefs there is a question "Is there an establishment which controls the mass media in Canada or any one of the media?" Now "establishment" was not explained there and I believe in 48 you answer the question directly:

"In the generally accepted definition of the term there is no establishment that controls mass media in Canada or any one of the media."

What would your definition of the "establishment" be there?

Mr. Balfour: Of the power elite.

Senator Sparrow: Yes. Any further explanation other than that? What power elite?

Mr. Balfour: Have you any further definitions...

Mr. Munro: I suppose you are defining an establishment, and presumably there are many, as being a group of people that have similar background and come from the same sort of economic strata such as almost a family relationship...

Senator Sparrow: A family compact?

Mr. Munro: Your word, senator, not mine. We have found it easier to answer the question because you used the term and we didn't.

The Chairman: I would like to quote Desmond Morton in the Canadian Forum on this point. You have heard me make this quotation before. . . "It does not matter whether the *North Bay Nugget* belongs to Roy Thomson, Max Bell or the local drygoods merchant. They are all without a single exception in the same kind of hands. They all belong to the Canadian business community and they all do what that community wants."

Do you agree with that statement?

Mr. Balfour: I think, in that newspapers are business, that we all belong to the Canadian business community.

The Chairman: The CLC charged you fellows with a conspiracy of silence. Would you comment on that in regard to your activity?

Mr. Balfour: I would deny it emphatically. Our larger newspapers have labour columnists. I think the CLC mentioned in its brief the *Vancouver Province* columnist. I know the *Hamilton Spectator* has one. That perhaps you could pursue further if you wish, sir, with the individual publishers.

The Chairman: Thank you. Senator Sparrow?

Senator Sparrow: You referred to Southam fellowships. How many fellowships per year are you referring to?

Mr. Balfour: Five, I think.

Mr. Munro: We don't stipulate a number but there have been five each year for the last seven years.

The Chairman: The other day I asked F. P. about the *Globe and Mail* about mastheads and

so on and I gather the fact that your paper belongs to the Southam Company is on the masthead.

Mr. Munro: In every case, I believe.

The Chairman: How long has that been the practice?

Mr. Munro: For ten years, I believe.

The Chairman: It is an old established...

Mr. Munro: Oh, yes.

The Chairman: I think Senator Everett had some questions.

Senator Everett: Mr. Balfour, do you know whether Selkirk is buying Quebec Telemedia from Power Corp.?

Mr. Balfour: I know it is not.

Senator Everett: Is Mr. Beaubien buying it?

Mr. Balfour: I think you would have to ask him, sir.

Senator Everett: Yes. This issue of 275,000 shares which was privately placed, does that have anything to do with Quebec Telemedia?

Mr. Balfour: No.

Senator Everett: I notice in item 52 page 18 you make the statement:

"It may be observed generally that while the advertising ratio tends to increase directly with the volume of advertising, the absolute amount of reading matter tends to increase also. One need not labour the point that there is more reading matter in a newspaper which averages 70 pages with 60 per cent advertising than one which averages 16 pages with 40 per cent advertising."

Would that be a form of argument for one-newspaper-cities—that we might be better served in terms of news content?

Mr. Balfour: I have never thought of it as an argument. It doesn't appeal to me as an argument.

Senator Everett: It would seem to me that in a one-newspaper-city the news hole could be larger.

Mr. Balfour: I think that would not be the case, sir.

Senator Everett: Taking this...

Mr. Balfour: You have two newspapers and therefore you get the news content of two newspapers in relation...

Senator Everett: There would be a lot of duplication in them.

Mr. Balfour: There might be, but not necessarily so.

Senator Everett: What you are saying is a paper that averages 70 pages with 60 per cent advertising contains more than the one that averages 16 pages with 40 per cent advertising?

Mr. Balfour: Yes.

Senator Everett: So that would lead one to believe the one newspaper town would more likely be able to carry the pages of advertising.

Mr. Balfour: Let's look at Winnipeg. I think the percentage in the *Free Press* is something over 60 per cent and the percentage in the *Tribune* is somewhere between 50 to 55 per cent. In the aggregate I think you are getting more than you would with a great big *Free Press*. Instead of having Eaton's in two newspapers you would have the same amount of Eaton's, or perhaps a little bit more, in one newspaper. In the aggregate you would not get as much reading matter.

Senator Everett: I have two other points. One is to congratulate Southams on item 56, Training and Education. I don't think I need to ask questions on that. There is one small question on item 58 where you say that there is criticism by the public that headlines were too succinct. I would think that is what a headline should be.

Mr. Balfour: Yes. I am only quoting from somebody else here. Headlines should be succinct; I agree.

Senator Everett: That is all, thank you.

Senator Prowse: Was that a series of headings taken from a questionnaire?

Mr. Balfour: I took it from a report.

Senator Prowse: An American report that had a whole flock of things?

Mr. Balfour: These were some of them, yes.

The Chairman: Mr. Fisher, what happened to the weekly paper you bought when you bought the *Gazette*? Is it still functioning?

Mr. Fisher: Yes.

The Chairman: Where is it?

Mr. Fisher: The lakeshore.

The Chairman: Is it a paid publication?

Mr. Fisher: Do you mean do the subscribers pay for it, yes.

The Chairman: Is it not just a community neighbourhood shopping news?

Mr. Fisher: No.

The Chairman: It serves that community?

Mr. Fisher: Yes, I believe so.

The Chairman: Would you analogize that position there with the position of the *Star* and *Telegram* in Toronto with community weeklies they own in the environs of Toronto?

Mr. Fisher: I think the motives that led the previous owners of the *Gazette* to make the investment were essentially the same motive as the *Star* and *Telegram*.

The Chairman: And presumably the motives for you sustaining its operation?

Mr. Balfour: We are not sustaining the operation. It is self-sustaining.

Mr. Fisher: We found no argument for shutting it down.

The Chairman: What is the circulation?

Mr. Fisher: Seven thousand odd.

The Chairman: Where is it printed?

Mr. Fisher: At the *Gazette*.

The Chairman: Senator Prowse, do you have any questions?

Senator Prowse: Yes. I would like to ask Mr. Balfour a question first.

In the matter of the independence of the publishers, how are the publishers appointed to the papers?

Mr. Balfour: I am glad you asked that.

Senator Prowse: I thought you might like to ask that.

Mr. Balfour: The publishers are appointed by the board of directors of Southam Press, firstly on the recommendation of those of

the head office in consultation with an executive committee.

Senator Prowse: Of the board of directors?

Mr. Balfour: Of the board of directors. And the appointment is confirmed by the board.

Senator Prowse: And then are they given a contract or do they hold appointment at the pleasure of the directors?

Mr. Balfour: I don't think anyone has a contract—at the pleasure.

Senator Prowse: So that they are in the position where the board of directors might at any time decide to dispense with their services?

Mr. Balfour: This is true.

Senator Prowse: There have been occasions where you have, I believe. I think the *Citizen* some years ago...

Mr. Balfour: No, sir. I think the publisher of the *Citizen* may have discharged an editor of the *Citizen*. I can think of two instances where publishers have been removed from office, and in both cases it was because of behaviour and not because of anything to do with their performance, their editorial performance or anything like that.

Senator Prowse: But the power would be in the board of directors at any time to replace any publisher?

Mr. Balfour: The power would be there in the board of directors. The board of directors is 17 people composed of employed and non-employed directors; five of the publishers are on that board and if there was any arbitrary move to dismiss Ross Munro I think there would be five votes right off the bat to defend him.

Senator Prowse: The point I am getting at is effective control of the conduct of the group, or the individual papers in the group, that is in the hands of men who are themselves responsible for the direction of individual sections of the group. Is this correct?

Mr. Balfour: Not at all, sir. There are 17 on the board and if I might refresh my memory for head office, five publishers, senior executive of the printing company, senior executive of the business publications company, roughly seven non-employed directors.

Senator Prowse: There are seven non-employed?

Mr. Balfour: Yes.

Senator Prowse: As against five who are employed?

Mr. Balfour: No, sir. Nine employed directors at the moment. We try to maintain a balance between inside and outside directors. At the moment it is slightly down and probably by the next appointment it will come back in again.

Senator Prowse: When you say "we" who do you mean?

Mr. Balfour: The board.

Senator Prowse: So this is really a group of newspapers that are run where the weight of authority is in the hands of the publishers of those individual units. Would that be correct?

Mr. Balfour: Publishers and their associates, because this includes Gordon Fisher as a director, and I am a director, and neither of us are publishers.

Senator Prowse: No. What I am getting at is this: there was a suggestion made by one group that appeared before us that it might be a useful thing to maintain independence of the press if the decision as to whether publishers could be hired and fired and senior people could be hired and fired would be determined by the editorial staff themselves. If you get down too low it gets to be a form of internal politics and leaves everybody confused and perhaps a little worried. I was wondering if in your organization, from what you had said, that out of your 19 votes on the board of directors nine are in the hands of men who are themselves publishers of newspapers, then it would appear to me there are nine votes there as against seven devoted clearly to the business side of it, and they therefore carry the weight?

Mr. Balfour: Not exactly, sir, because there are only five actual publishers and there are four of us who are in the corporate office.

Senator Prowse: I see. And then there are seven others, people who have purely a business interest?

Mr. Balfour: Two other employed directors; one who is the senior officer of the printing subsidiary and one of whom is the senior officer of the business publications subsidiary.

Senator Prowse: One more question, you see your publishers once every three months; did you tell us?

Mr. Balfour: We meet as a board with them once every three months. I see them oftener than that because I am roaming around the country.

Senator Prowse: They are continually being visited by people from the head office?

Mr. Balfour: Yes. They are coming down to the east and they come in and spend a couple of hours or half a day with us.

Senator Prowse: How often do you get your financial report?

Mr. Balfour: Every month.

Senator Prowse: And somebody at head office does look over those?

Mr. Balfour: I do.

Senator Prowse: That is your concern. Now, in the matter of concentration, I notice that in the Province of Alberta 77.7 per cent of the people who buy newspapers in the Province of Alberta, daily newspapers in the Province of Alberta, buy a Southam paper.

Mr. Balfour: That is correct.

Senator Prowse: That is a pretty high degree of concentration.

Mr. Balfour: Yes, sir. It is fortuitous in a way and it is historic. The *Calgary Herald* was purchased in 1908 when Calgary was a very small town and when the *Herald* was a very small paper. The same thing in Edmonton in 1912. In each case there was and in one case there still is competition. If our papers have grown I think it is because they were good.

Senator Prowse: Now we get to the point of the variety of voice and you don't have a head office policy, or do you, in this regard, in order to try and maintain a variety of voices?

Mr. Balfour: Sir, I think there is a variety of voices in Alberta. I am sure you know that the *Herald* and the *Journal* do not necessarily agree.

Senator Prowse: And do not necessarily circulate in the same area either?

Mr. Balfour: No; but you mentioned the whole province and said we had 77 per cent of the province.

Senator Prowse: Of course in Edmonton you have 100 per cent.

Mr. Balfour: Yes.

Senator Prowse: So I was giving you the benefit of the addition.

Mr. Balfour: Thank you very much.

Senator Prowse: Now having set that background I would like to move to Mr. Munro because I think the *Journal* has been concerned with this question.

The Chairman: I don't want to transgress on the time of the other publishers or on the time of Mr. Balfour and the Southam presentation. On the other hand, I think that Senator Prowse has been very fair in waiting to ask that question.

Senator Prowse: Mr. Munro, what steps what experiments have you made; what steps did you take and what is being done and what is your opinion as to the state of the other voices being provided to the newspaper reading public in the City of Edmonton and its environs taking in everything from north of Carstairs in the Province.

Mr. Munro: Mr. Chairman, there is a very definite policy and effort made in this area to provide opportunities for people who dissent or disagree, or have opinions that vary with ours, or with the Government, or anybody else. To have these opinions aired in the newspaper one of the more interesting experiments was taken a few years ago by my predecessor the late Basil Dean and he introduced the "Journal for Dissent." This is a full page generally opposite the editorial page and it ran three times a week, and they invited articles from various people in the community; they paid for them. It was quite a success and it caused a lot of interest, and I think was a very fine move because it did give relief to people who felt their views were not being properly heard.

Like a lot of features these things waned and this one did. The articles became less pointed, some of them were just trivia and shrunken to twice a week, and once a week, and just about the time I got to the *Journal* nearly two years ago it was just in its last days.

It is sometimes hard to sustain something like this in a relatively small city. This is not a big Canadian city, not like Toronto where the *Star* can do quite an interesting experiment in the off-ed page inviting people

rite in. With two million population they have lots of people who will contribute.

I cannot really explain the demise of this special feature in any other way than it just tapers out. Now what we do is pretty orthodox, but it seems to work. We devote a lot of space to letters to the editor, not just on the editorial page, but if you are looking at the *Journal* you will see the editorial page is not the total amount and sometimes there are two or three columns in the paper. We have lots of letters to the editor on any subject.

I think I mentioned earlier that censorship of these letters is not very severe. We have to watch to protect ourselves against libel and obscenity, and things like this, and just straight kookiness, but we have an off-ed page of a full eight columns. It started last September and it is opposite the editorial page. We are getting more and more articles of that page. Where a person writes a long letter we will turn it into an article and we can play it better and use some art and good words and things like that. That is what we are doing now. Of course, if there is a lot of protest and dissent opinion it can be made into a news story. For instance, if a Cabinet minister racks us over—we don't get along too well with the Social Credit government. They feel they are being beleaguered by the press of Alberta and I think it is unjustified, we are questioning and inquiring. If a Cabinet minister makes a strong attack on us, this will probably wind up as a news story on the first page.

Now everything can be improved, but I am reasonably well satisfied the *Journal* is giving good exposure to dissent in this area.

Senator Prowse: Now I imagine you follow a format that we have had explained to us before that you have editorial meetings, I think every morning, with your editorial board?

Mr. Munro: Editorial page...

Senator Prowse: Editorial page people, the fellows that write the opinion stories.

Mr. Munro: Yes, we meet every morning.

Senator Prowse: You discuss things back and forth and you come to a consensus, or do somebody say "This is what you are going to write today."?

Mr. Munro: When you get four or five people it is very hard to get a consensus.

Some people will opt out. In general terms the majority opinion will prevail. Sometimes the editor will intervene and say "I think you are all wrong. I think we should go down this route."

I don't get there every day, but I get there quite regularly. It is a great way to keep in touch with what is going on in the community because these fellows are all over the place and sometimes I direct a line that I think we should be taking, but it is not very arbitrary. I haven't been very arbitrary here or in any other papers. You don't have to be.

Senator Prowse: Let us suppose this situation where you have one of these meetings and you are going to be in favour of a ring road, to take an illustration. One of these fellows says "I am opposed to it. I am not going to write that." Now what happens? Does he get to write the ring road?

Mr. Munro: I think it is general on our papers we don't compel an editorial writer to write an editorial that he has no conviction about.

Senator Prowse: The *Globe and Mail* said that their men were professionals and it was very, very seldom they reached a point where a fellow did not say "All right. If this is what you want I will write it." You don't follow that policy?

Mr. Munro: It would not arise very often. If it did I would not instruct the man to write it, no. That is a curious approach. Our people are professional too, but I would think it offensive to a professional person to tell him to do something he doesn't believe in.

Senator Prowse: I wanted to hear the other side of the question. Then do you ever ask a fellow who dissents strongly, and presumably represents a certain element of public opinion, then to write his own opinion—not as an editorial for the paper, but his own expression of opinion for the off-ed page? Have you ever done that?

Mr. Munro: Yes, I have done it. I can't think of it, not recently, but I have done it. It is a good technique. I can think of one classic example when I was at the *Province* during the Suez episode. The paper took a stand in favour of British policy, which was gunboat diplomacy. There was a writer on the staff, very well known in the country, and he was outraged at this. We ran a piece on the off-ed page and I don't think we ever received more

letters in the history of the *Province*. We were deluged. He took the Egyptian—anti-British line. It stirred the whole town up. That is one example.

Senator Prowse: Would there be a useful purpose where you have a one-newspaper town, which is becoming an increasing problem to freedom of the press, actually could there be devised a process whereby a newspaper—where there is one paper in a community and where they could afford to do it, which most of the larger papers could, to set up two editorial pages—an on-page and an off-page? In other words, the fors and agins and argue with themselves. In other words, present the two opposing opinions on opposite sides of the page so the people could read both points of view. Is too much of a dream to work?

Mr. Munro: I think it might be a dream. It looks like it might be an interesting solution to this kind of problem, but I don't think it would be too practical. Nobody would know what the paper stood for to start with. I think we have to give certain leadership in a community.

Senator Prowse: When you talk about what the paper stands for, I was reading on page 4, of the *Journal* brief:

"At times the *Journal's* voice is deliberately muted because it would be an abuse of our editorial power to be strident in some local situations where there are sharp clashes of opinion."

Now is it not possible that you contribute to public apathy and leave the impression that the subject cannot really be that important by remaining muted when you might create a more useful dialogue by saying "We cannot agree on this but here are what two of our men think." Or, "Here are two points of view."

Mr. Munro: Yes; introduce two points of view, yes.

Senator Prowse: Rather than be muted?

Mr. Munro: Well, that was a reference to the situation that existed very, very seldom. I don't think we very often back away from something. Sometimes in a community there is an inflammatory situation and probably it is more prudent and in the public interest not to intrude at that point. You might do it at a later time. Sometimes you delay your comment, and I think that is fair enough. Like this reference to the Eaton's story. I think the *Globe and Mail* said: "Sure, we are going to

do it but we are going to find out what it all about." We can't all chase ambulances the way we used to. I hope those days are over.

Senator Prowse: Well if you had another paper in town and they were chasing ambulances you would too?

Mr. Munro: I am not so sure. I think would keep going the same way we are and try and improve the solid news content of the paper, particularly improve the news we are carrying.

Senator Prowse: If you had two papers wouldn't you or the news editor be reading the first edition of the other paper to see that everything that was in it was in yours?

Mr. Munro: Yes, we would give another paper a real run.

Senator Prowse: And if they chased ambulances you would too? Would you say that one newspaper has made for more responsible journalism?

Mr. Munro: I find it quite a burden, as mentioned earlier. In a sense you can argue that the excesses of competition are sometimes quite severe. I don't think they are great as in the past. I am thinking of Toronto 20 years ago. That was a pretty wild fight all the way news was played then was astonishing at times.

Senator Prowse: Have you any way as publisher of knowing in a one-newspaper town whether the fellows are doing a job covering the news?

Mr. Munro: Yes. You catch the devil from the public if you don't cover the community and when we fall down we hear about it. We really hear about it.

Senator Prowse: How do you hear?

Mr. Munro: I get it generally on the phone. I have an open line and anybody can reach me and they can reach me at home. I list a number which is a dangerous thing to do.

Senator Prowse: Thank you very much, Mr. Munro.

The Chairman: Thank you. Mr. Fortier.

Mr. Fortier: Mr. Balfour, I was very interested in your answers, as well as Mr. Fisher to Senator Everett's questions on broadcast and your interest in Selkirk. In view of your declaration of principle in the brief which

as read in fact into the record by Senator Everett this morning, and in view of what I would have to term your very substantial interest in Selkirk, I must ask you this question: Why did you—and when I say “you” I mean you as a corporate entity dealing mainly with publishing of newspapers—why did you invest in broadcasting companies?

Mr. Balfour: I think the answer to that, sir, is that we are involved in communications and this is one of the facets of communications. We have deliberately limited ourselves to the field of communications but therefore are ranging over the field and not confining ourselves to one aspect of that field or one facet of that field.

Mr. Fortier: In one facet, the written press, you own and control; in another press, the electronic press, you just invest?

Mr. Balfour: Yes, that is right.

Mr. Fortier: Indeed you consider it such an important investment, as indeed it is, that you have had since 1967 a vice president who is in charge of broadcasting. Is that not so? Mr. Michael Harrison?

Mr. Balfour: Yes. This was probably, in retrospect, probably the wrong title.

Mr. Fortier: What does he do now in retrospect?

Mr. Balfour: He keeps his eye on what is going on in the broadcasting field, but he mainly now is looking into the new areas of communication which may develop.

Mr. Fortier: The facsimile press and cable television, this sort of thing?

Mr. Balfour: Data—whatever you call it—all that sort of thing.

Mr. Fortier: Would he in any way in view of his title—and if his title is misleading please say so—would he have particular responsibility for how Selkirk, for example, is running?

Mr. Balfour: No; not any more than Gordon Fisher here, who is also a director.

Mr. Fortier: So his main responsibility is to keep an eye on Southam's investment in Selkirk?

Mr. Balfour: No.

Mr. Fisher: May I clarify the answer a little bit? I think we have felt in meeting our

responsibility to our shareholders that we have to keep our minds open to the possibility that the technology of communications may change. That is not a particularly brilliant observation because it very obviously is changing. One of the reasons we are interested in broadcasting as an investment is because of the obvious possibility (in our brief we don't foresee it in the next ten years) the very obvious possibility that the backroom boys may come up with some new method of laying down the type of news that is our business in the homes of people who are subscribers. We would certainly want to reserve the right, and we would argue very strongly that as newspaper publishers we should be extended the right, I think, of making sure that if there is a more efficient way of selling our product to our customers we want to protect that possibility.

Mr. Fortier: If that day arrived, and as you say in your opinion it is not within the next ten years, but if it did arrive have you considered whether you would be seeking a station on a cable network or would you use a common carrier?

Mr. Fisher: Well, it is hard now to define a hypothetical case that might exist 15 to 20 years from now. I think we would be prepared to argue that a cable broadcaster, who is some future cable broadcaster and who has the future technology of laying down our product, should extend to us the rights that he would extend to anybody else to use his common carrier facilities.

Mr. Fortier: Would it be fair to say that with that thought in mind you are protecting your investment in Selkirk to hedge against that possibility?

Mr. Fisher: Yes; that is one of the thoughts. “Hedge” is the right word, I think.

Mr. Fortier: I wonder if we could apply our mind to the Southstar Publishers Limited in which you own 50 per cent equity interest with the *Toronto Star*. I would ask you, Mr. Balfour if you could tell us how Southstar is run? Who has the deciding voice?

Mr. Balfour: Southstar is run as a corporation. Ed Mannion is the President and Chief Executive Officer. The *Toronto Star* has a 50 per cent interest as we have. In this particular case there is provision, should there be a major disagreement between the shareholders, for dissolution of the company.

Mr. Fortier: There is?

Mr. Balfour: Yes.

Mr. Fortier: Does anyone have a preponderant voice at the moment?

Mr. Balfour: No. I should clarify that. We have increased the board of directors to nine. Actually the president of the company, who is an employee of the company, theoretically holds the balance of power.

Mr. Fortier: Are there any parallels to be drawn between this situation and the Pacific Press situation in Vancouver?

Mr. Balfour: I don't think so. I think the situation is entirely different. We are publishing a supplement there, not two different supplements, but one supplement which is appearing in our own newspapers and in the *Toronto Star*, and a number of other newspapers.

Mr. Fortier: I would go one step further. There is Magna Media Limited?

Mr. Balfour: That is advertising sales.

Mr. Fortier: Advertising sales only.

The Chairman: How about production? Is there not some joint production arrangement?

Mr. Balfour: We have a contract with Montreal Standard. We have nothing to do with their company.

The Chairman: But the *Montreal Star* will print both the *Weekend* and *Canadian* and the sales force of *Weekend* and *Canadian* will be common.

Mr. Balfour: That is correct.

The Chairman: Would it be unfair then to say there is no longer any competition in the weekend rotogravure field in Canada?

Mr. Balfour: I think it would not be true. There is certainly competition on the editorial end and the terms under which this company operates permit us to spend our budget, our editorial budget, and Montreal Standard to spend its editorial budget. I am trying to remember what the safety valve is. I think I am correct in saying that we each prepare a budget and the larger budget is the one which is accepted.

The Chairman: I am not sure I understand you.

Mr. Balfour: Well, Montreal Standard—the *Weekend* magazine—says it is going to cost a million dollars for the editorial product in

1970, and the *canadian* says it is going to spend \$1,200,000 in 1970. Weekend may spend up to \$1,200,000.

The Chairman: Why not merge them completely?

Mr. Balfour: Because we want to have two voices.

The Chairman: Why?

Mr. Balfour: Because we are in different papers. We are not appearing...

The Chairman: Not in the same community. You are in different papers?

Mr. Balfour: Yes.

The Chairman: I was going to say to Senators that we will be having the weekend papers coming before our committee in course of things and I don't want to spin discussion out endlessly but for my understanding, Mr. Mannion is in complete control of Southstar?

Mr. Balfour: Chief Executive Officer of Southstar.

The Chairman: Well, I have other questions for another time.

Mr. Fortier: Does Southstar actively sell new newspapers in competition with Montreal Standard?

Mr. Balfour: It certainly has and presumably will go after ones which are not carrying either.

Mr. Fortier: And you were doing that in competition with the Montreal Standard.

The Chairman: What was the philosophy behind the Magna Media development? What was the reason for it?

Mr. Balfour: Would you like to answer that one?

Mr. Fisher: To clarify the point, there were two aspects to the arrangement. One was Magna Media, the joint selling of advertising. I think the rationale for that was both magazines came to the conclusion, which I have no doubt was the correct one, that they were really competing with the other because they were not selling the same audiences, they were competing with other media for advertising, and the most effective way to sell the virtues of weekend rotogravure supplements to those advertisers was to get together and make a stronger pitch.

Now there is no suggestion here of a combined sell, and the advertiser could buy one or the other or both. So much for the advertising selling. That is Magna Media.

The rationale for the printing contract for *Canadian* magazine going to the Montreal Standard Publishing Company was simple. They were the cheapest printers for that publication and we were interested, Southstar was interested in buying at the lowest price. They had the printing plant with the capacity to do it and it just made good sense.

The Chairman: In the realm of advertising through Magna Media you don't offer packages?

Mr. Balfour: There are no package prices. Am I right on that?

Mr. Fisher: I haven't seen any rate card on *Weekend* magazine and *Canadian* magazine. The advertiser has the choice of whether he wants one or the other or both.

Mr. Fortier: In all three instances dealing with the same salesmen?

Mr. Fisher: Yes.

The Chairman: There is no discount for buying both as against buying only one?

Mr. Fisher: I don't know the answer. It would be good sense to discount because they are both printed in the same plant.

The Chairman: We will talk about that later. Are there any other questions the senators have?

Mr. Fortier: I have one more question.

In view of the representations made before the committee by the Canadian Labour Congress last week, do the Southam News Services have a labour reporter?

The Chairman: I think we dealt with that.

Mr. Balfour: No, sir. The Southam News Service does not but the various Southam newspapers do.

The Chairman: I think we touched on that this morning.

We will now turn to a discussion of the papers, and we hope that you will stay as long as there may be other questions for you and the other gentlemen.

Mr. Balfour: Thank you very much.

The Chairman: Honourable senators, for the balance of the afternoon we are going to deal with the three separate publications, the *Calgary Herald*, the *Vancouver Province* and the *Hamilton Spectator*. I must confess I wondered over the noonhour, and I spoke to some of the Southam people when we came back, I wondered if we should not hear the three papers at once, but I think in fairness to the papers it would be better to hear them individually. I am going to suggest that we spend perhaps less time with each paper and then perhaps towards the end of the afternoon we will have all three papers here and if there are any questions we will question the three papers.

I am not suggesting even for a moment, Mr. Swanson, that we are going to limit your time. I think we will perhaps before the hour is up bring in the *Province* and the *Spectator*.

On my immediate right is Mr. Frank Swanson, the publisher of the *Calgary Herald* and Vice President of Southam Press Limited. On his right is Mr. Richard Sanburn, Editor-in-Chief.

As you know, we are calling on you at this point for an oral statement. The written brief has already been circulated to the senators and there will be questions to you on the written brief and anything you might say now.

Mr. Frank Swanson, Publisher, Calgary Herald, and Vice President, Southam Press Limited: Senator Davey and honourable senators. You will, as Senator Davey noted, have received copies of the *Calgary Herald* brief and I shall be more than happy to try to answer any questions that may arise from it. Mr. Sanburn will be available to try to answer any questions which may apply to matters of news coverage and editorial matters in general.

The newspapers of this nation, and indeed of the whole free world, have entered a time of tremendous change. With very few exceptions, in very few cities, the newspapers that approach their work with devotion and intellectual honesty, are growing in public acceptance. The era of so-called "love nest" reporting has been dead for 25 years now. The myth that sensational headlines sell newspapers has long since passed away.

The heart of the matter is that trying to find the truth and trying to tell it honestly becomes more arduous, more expensive, and

sometimes more dangerous than ever before. Yet, I want to emphasize this: that on practically no single day does a sensational story, even honestly reported, sell another single copy of a newspaper. Newspapers build their circulation only as they build their reputations. Newspapers grow, in this era of tremendous change, only as their sense of responsibility and service to the public grows.

I have repeated the idea of growth twice just now. I think it is important, not because I am equating size with excellence, but because I have seen sheer excellence die for lack of nourishment.

Today, top-flight newspaper work costs money—quite a lot of money. The *Calgary Herald* and its sister newspapers, have spent and continue to spend scores of thousands of dollars a year just to maintain news bureaux in places like Ottawa, London, Washington, Paris, Quebec City, New York and Toronto. We continue to buy and add new news services to the point where my newspaper now has probably more news services and contributing syndicates than any paper of comparable size in this country. I personally believe this is essential to a better informed and more knowledgeable community. I suppose it was not necessary for us to buy the further supplementary news services we now have. We could most certainly fill our columns with material supplied solely by the Canadian Press National News Service and our own staff, and I am not sure that many readers would even notice the difference. I notice the difference, however, and I am proud to say that we are in the forefront of buying news services or information wherever they present themselves within the limits of our financial resources. I believe this is a responsibility of the press to the society we serve.

I think there is another responsibility too, having to do with the fundamental need to find the truth and to record it. One hundred years ago, many newspapers in this country, such as then existed, were the creatures of political interests of one kind or another. They were, in short, the hand maidens of various political parties. This was clearly true of the press of France prior to 1939. But I do not know of a single daily newspaper today in Canada which accepts bounties or financial handouts of any kind from any political machine.

Now why should this be so? It is simply because the growth of advertising is a source of revenue for newspapers which made possible for them to be independent without recourse to subsidies which limit their freedom of expression.

Of my own personal knowledge, the one important newspaper in the English-speaking world in recent times which has in any way been directly tied to a political party was the *London Daily Herald* in England, and that no longer in business today. It was for practical purposes a financial commercial failure and was kept going, so long as it lasted, by the profits of other non-political publications emanating from the same publishing house.

The fact is that any organ of news or opinion has open to it only three sources of income. The first is the price that the public is prepared to pay to read it, the second is the price that advertisers are prepared to pay to advertise in it, and the third is the extent to which groups are prepared to subsidize it. Almost universally, the daily press of this continent, if for no other reason than it historically did not work very well.

A daily newspaper today runs as a commercial enterprise which must make a profit if it is to survive and to succeed. It must, therefore, draw its revenue from the first two sources I mentioned. It cannot in the long run do this if its conduct is fundamentally dishonest or unreasonably quixotic. It must conduct itself in such a way as to satisfy the average and reasonable man so familiar to every common law. In Canadian terms, it must make a broad appeal. It must appeal to the average citizen—whatever he may be. Since the average citizen is a composite of dozens or hundreds of groups, all with different interests, different desires, we must try to satisfy them all both severally and collectively, and above all must try to do this without being dull.

It differs from both radio and television in that its primary stock-in-trade is news, information and comment, with a little entertainment thrown in; while in the case of both radio and television, their primary stock-in-trade is entertainment with a little bit of news, information and comment added on.

I would like to emphasize the point made in the *Calgary Herald's* brief that there is no such thing as a "Southam policy". Full editorial

autonomy is vested in the publishers, myself, and the staff. Each decision concerning an editorial viewpoint is made in the offices of the *Calgary Herald* and there have been many occasions—I have referred to some in my brief—when the *Calgary Herald* has been at editorial odds with other Southam newspapers. Practically any controversial issue of the day will find the *Calgary Herald* on the opposite side of the editorial fence from other newspapers in the same group.

You will have heard many definitions of the expression "freedom of the press". This is really no more or no less than the existing doctrine of freedom of speech, freedom of the individual to be informed broadly and deeply of what is going on in his community and the world, and freedom to know as fully as possible about what aspects of society affect him, his family, his way of life or his future. It is different from the freedom of the individual in an open, democratic society.

I do not think, in passing, that there is really any serious threat to freedom of the press in this country today, although this freedom must be jealously guarded at all times so there is no danger of its disappearing in Canada as it has in so many parts of the world.

You have heard many opinions expressed as to the desirability or feasibility of some form of press council or councils, and you heard some this morning. In the opinion of myself and of the newspaper I publish, no responsible newspaper would have anything to fear from such a body. Because of the size and diversity of the country, however, undoubtedly there would be problems in creating one body broadly enough based to deal with all Canadian newspapers. It would seem to me, therefore, that the solution might lie in the formation of regional or local press councils.

Most evidence seems to indicate that the Press Council now in being in the United Kingdom has been and continues to be, most effective. The editor of that distinguished publication, *The Times* of London, Mr. William Rees-Mogg, says that it is doing very good work. He also says there is no doubt it has markedly helped to raise the standard of journalism in Britain. He adds that he has not personally agreed with all its decisions, but they are taken most seriously in Fleet Street. He goes on to say that the reputation of the British press stands even higher today than it used to, and the Press Council has been a

helpful factor in bringing this about. I see no reason why such a body or bodies in this country could not perform a similarly useful service, but I do believe that such a body or bodies should be brought into being by the industry itself, containing representatives of the industry and the public, rather than having such an institution enforced upon the industry by the Government.

In summary, I should like to remind you that newspapers, including the *Calgary Herald*, are run by people for people. And just because we become journalists does not mean automatically that we are endowed with super-human wisdom, although a few of us in this business do act as though we are the advance guard for the second coming of the Messiah, if not the real thing. We do not claim we are perfect, but we do believe we are only reasonably imperfect.

Thank you.

The Chairman: Perhaps before we turn to the questioning and while we are reflecting on your final statement. I have a note from Mr. Balfour and he says:

"It has been drawn to my attention that I made an error of fact in reply to a question by Mr. Fortier about Southstar. May I correct the record?"

Of course.

Mr. Balfour: I replied to Mr. Fortier that Mr. Mannion held the balance of power in Southstar. I am informed this is not so. There is still provision for dissolution if there should be disagreement between shareholders. Mr. Mannion has complete operating power, but not the balance of power.

The Chairman: Thank you very much.

Now, Mr. Swanson, turning to the *Calgary Herald*, I think the first questions this afternoon are from Senator McElman.

Senator McElman: Mr. Swanson, in both your prepared brief and in your comments just now you have established that no responsible newspaper would have anything to fear from such a body, that is a Press Council, with the proviso being it is regional in character; that it not be Government-originated; that it be constituted from elements of the press and public.

And yet we have had testimony that there are those who would clearly stay out of such

a council. Why would they stay out? Do you have any opinion on that?

Mr. Swanson: I don't know the reason but I would suggest it to you, sir, that if such a body did come into being on a regional basis, say a Prairie Press Council, I feel that the publishers of the newspapers that might have chosen initially to stay out might in a very short time decide it was to their advantage and to the advantage of their newspapers to join the organization. Indeed I would suggest that public opinion might take this course of action to them.

I think a start would have to be made by the newspapers or individuals who believe it is a good idea.

Senator McElman: You believe it would be to the advantage of all in the long term?

Mr. Swanson: Yes, sir.

Senator McElman: Have you given any thought or taken any concrete steps towards this end?

Mr. Swanson: Mr. Munro, the publisher of the *Edmonton Journal*, and myself have talked about this matter at some length on a number of occasions. As you have heard this morning, there are three Southam newspapers in the Province of Alberta and one F.P. newspaper in the City of Calgary. There are other smaller daily newspapers. If it appears that the three Southam newspapers started an Alberta Press Council, for the sake of argument, it would be a Southam Press Council and I don't think it would be a good or acceptable idea.

I think if we were able to interest the papers in Saskatchewan and in Manitoba we could have a regional council of some nature, and I think other parts would fall into place in due course.

Senator McElman: In light of the public discussion of this matter in recent weeks, in addition to testimony given before this committee, do you think it would be advisable that you and others, not necessarily of the Southam group, get on with a discussion of this?

Mr. Swanson: I think, sir, that it might at this juncture be a little premature. As you may have heard this morning, and as you probably knew beforehand, there is a move on the way to start such a body in the Province of Quebec. I think it would be advisable

to see the progress of the negotiations to set up a similar body there. I have no doubt it will be followed in other parts of the country. As to when or how we might get on with this I don't know. I think the public should discuss it and I think they read discussion from the committee. I think all these things would be helpful in forming a climate of opinion in which such a body might start.

Senator McElman: The reason I pose this of course, there has been an expression of concern that the Government as such should not get involved in this area, and I was wondering if the discussion and testimony which has been so explicit in this regard, has served any purpose in spurring along the industry itself in this direction? The reason I ask is I haven't seen any concrete result of it other than in Quebec and that emanated from something other than discussions that took place here.

Mr. Swanson: I am not aware of any positive moves being taken place at this point, but I think a lot of Canadians are waiting to see the results of the discussion of this committee. As you might recall, if I might refresh your memory, when the Press Council in the United Kingdom was set up there were two or three runs taken at it by publishing organizations and they were abortive attempts, and finally a viable Press Council did come into being. This did take a number of years to come about however.

Senator McElman: Does the *Herald* regularly use news and columns supplied to it by the Southam News Services?

Mr. Swanson: Yes, sir, practically entirely.

Senator McElman: Would the percentage be as high or higher than what is used from the Canadian Press in relative terms?

Mr. Swanson: Well, we use more Canadian Press news because there is much more of it.

Senator McElman: I mean would you use, let us say, 78 per cent of Southam and 73 per cent of C.P.?

Mr. Swanson: Perhaps Mr. Sanburn could answer that.

Mr. Richard Sanburn, Editor-in-Chief, Calgary Herald: We have never actually made such an assessment but an off-the-cuff guess is if you took the percentage of the news services copy supplied to us and the percentage we used of that against the volume of Canadian Press copy supplied to us and

percentage we use of that, I think the percentage would be higher in the case of S.N.S. of the actual volume supplied.

Senator McElman: This is a question we have asked of many witnesses and obviously you think the C.P. is a good service. How do you think it could be improved?

Mr. Swanson: I am sure any service could be improved. We are happy with the Canadian Press News Service. They furnish a very fine report, particularly from Ottawa. Perhaps Mr. Sanburn would like to comment his views on the Canadian Press.

Mr. Sanburn: Again it is a long, long time ago for the C.P. staff and myself. No doubt the C.P. is an excellent news service. As somebody remarked this morning, it has to supply a service to satisfy such a wide variety that it has to be extremely careful the way it writes the news. For many years it was considered to be dull, but that has improved considerably in recent years. The C.P. is capable of some pretty bright writing on occasion. I suppose it could be improved. It would have to have far more people abroad. Now it depends to a great extent, as I said this morning, on the Associated Press and Reuters and Agence France Presse for the news in many places where it doesn't have its own correspondent. I think it is desirable to have as many Canadians abroad writing Canadian news as possible. I am sure the Canadian Press would be delighted to have another 15 or 20 or 50 people abroad if they could afford to do it and this would be of great benefit. On the whole it is a very good news service.

Senator McElman: Looking at the whole of the information that you receive through news services with relation to French Canada, particularly la belle province Quebec, do you feel you are getting satisfactory service on the problems of Quebec so you can relate that to your readers in the west?

Mr. Sanburn: I would think so. We have our own bureau in Quebec City, as I am sure you are aware, and the Canadian Press itself does a good job down there and we carry a great volume of its news. We also carry every week on the editorial page a column of opinion from the French language newspapers in Quebec which also illuminates the previous news report. We carry a great deal of information and interpretation from Quebec from both sources.

Senator McElman: As newspaper people you obviously know what are the burning questions of discussion amongst your readers, amongst the population in your area of the country, and I think it is fairly obvious there are some misunderstandings in the west, or perhaps a lack of knowledge rather than a lack of understanding—one leads to the other. Are there questions in the minds of your readers or people in the west that are not being resolved and you are not getting the answers through your news service or otherwise to help them resolve those questions.

Mr. Sanburn: We are quite a long way from Quebec and I have no doubt that the volume of news and the interest of, say, the individual citizen on the whole in the Province of Quebec diminishes with distance. For instance, I think the people of Ontario might be more keenly aware of the various aspects and the finer points of the problems involving Quebec than they are further west one goes. I don't think that the people whom we are serving have any reason to think that they are not adequately informed. I would not say voluminously informed, but adequately informed, and there is nothing that has arisen that involves problems in Quebec, that I am aware of, that has not been dealt with in the *Calgary Herald*.

Senator McElman: Let me put it another way: if there are matters affecting the Province of Quebec that you feel that your readers don't understand as well as they might, and you in fact don't understand as well as you might, have you on occasion referred these to your own news services or the Canadian Press to do some study in depth in Quebec and provide you with answers or information?

Mr. Sanburn: Not terribly often. We have done that. We started an enormous project one time, but it became so enormous that we just couldn't do it. We wanted comparative studies of the various textbooks in English and in French in regard to Canadian history and problems, and so forth, but it developed into much, much too great a project for the resources we had to put to it. It could be done I know, but I am afraid it didn't get too far. We asked for that.

Senator McElman: This would be a background thing. I am thinking more of questions of misunderstanding that may arise, or do you have no misunderstandings?

Mr. Sanburn: Far be it from me to say I understand everything about Quebec. I would never say such a thing. I think I am probably like a great many westerners who quite frankly think they are perfectly well aware, some of them think they are much too acutely aware. They think that much too much attention is paid to Quebec. This is a western feeling and I think anyone who knows the west would appreciate it. That doesn't mean to say that we are neglecting the problem of Quebec; we are not.

The Chairman: I think Mr. Fortier has a supplementary question.

Senator McElman: I have just another question.

Approximately what percentage of the feed from the two news services from Quebec would you be publishing?

Mr. Sanburn: Pardon?

Senator McElman: Of the total feed you get from your own news service and the C.P. with respect to Quebec province, what ratio would you be publishing of it?

Mr. Sanburn: I don't really know Senator. I don't see the entire string, but I know we publish a great deal.

Mr. Swanson: I would say probably 80 to 90 per cent of the material we receive that is date lined anywhere in Quebec—that is the C.P. material and our own bureau material. This is invariably used. I would say the overwhelming bulk of what we do receive we do use.

Senator McElman: Is there any difference in the frequency of coverage as between "in-depth" story relating to general problems and the coverage that would be given to, say, an explosion in a mail box?

Mr. Sanburn: Well, sir, an in-depth story by the nature of it would probably go on the opposite editorial page. If a bomb blew up in a mail box it might land on page 1 because it is of a more emergent nature. An in-depth study might be asked for days ago and photographs would have to be made ready for it, a layout has to be prepared, and because of the nature and size of this layout, or amount of copy involved, it most normally would not appear on the front page. It might start on the front page and turn to a page inside.

Senator McElman: What I am really getting at is if you had two stories parallel in size

and one of them dealt with general interest matters in relation to the Province of Quebec and the other dealt with something a bit more sensational?

Mr. Swanson: I would say, sir, the aspect of sensationalism would not affect the news judgment. It would be the aspect of immediacy, if this happened this morning or last night it would be treated as any other news story. I don't think any sensational factor would have a bearing on the treatment of the story. This is not how we view stories or judge the importance.

Mr. Fortier: The question Senator McElman asked was the question I was going to ask but I will try it in different words. The view has been expressed, indeed as recently as last Sunday in Montreal by Claude Ryan of *Le Devoir*, that out of Quebec too much coverage is given to the negative aspects of the rising nationalism in the province and not enough coverage to the positive aspects. I wonder if you would care to comment on that particular thought?

I know I have travelled from Montreal to Winnipeg or Toronto or Calgary and picked up *Le Devoir* at the Montreal airport, and read stories on page 8, or 9, or 10, and then arriving at my destination picked up the local paper and I have seen that same story on the first page.

This is the sort of thing that I believe would be of interest to the committee. How do you treat positive news as opposed to negative news?

Mr. Swanson: I would say, sir, that positive news naturally has a much greater appeal to the man on the news desk. The negative story, if by negative story you mean an interpretive story giving some background or a situational kind of presentation, this would tend to possibly go to the editorial page, or the opposite editorial page and be more thoughtful and more studious kind of reporting. Things that come off the wire are written in the speed of time and they are treated with some degree of urgency. They tend, I suppose, to go on to the front page. I am perfectly sure, as Mr. Sanburn has said, that we in western Canada are quite a distance removed from events in Quebec and you tend to look at these things by the nature of things at the opposite end of the telescope.

Mr. Fortier: For example, last week in Quebec City there was a press conference

The Minister of Natural Resources in Quebec, the honourable Mr. Allard, and the President of Falconbridge had a conference and the President announced that the Falconbridge intended to invest upwards of \$100 million in northern Quebec during the next ten years. This was given much prominence in Quebec newspapers. Did you carry that story out west in Calgary?

Mr. Sanburn: I must honestly say, sir, I don't know. I am quite sure we would, but I personally didn't see it. This is a big story, a most important story.

Mr. Swanson: I would be sure from the way you describe it this would be an automatic story we would carry.

The Chairman: It might be interesting if you would let us know.

Senator Hays: There is another example. In the City of Calgary, for instance, one of its largest industries is the processing of beef and the sale of beef, and Montreal uses more beef out of Calgary than the City of Calgary uses, as I understand, but I have never seen that published in one of our papers.

Mr. Swanson: It is a good idea, Senator. We will look into it.

Senator Hays: I think this is the kind of thing. One end of Canada does need the other end of Canada.

The Chairman: I was intrigued on page 2 of your brief by the reference to the two weeks, the *North Hill News* and the *South Side Mirror*. I was interested to see the *South Side Mirror*, is this correct, this has 11,000 higher circulation than the *Albertan*?

Mr. Swanson: This is a newspaper which is distributed free.

The Chairman: It still has a big circulation.

Mr. Swanson: Yes, sir.

The Chairman: They give away 47,000 newspapers?

Mr. Swanson: I understand it is possible to buy one, but I don't believe many people do.

Senator Hays: Is it owned by F.P.?

Mr. Swanson: Yes.

Senator Hays: How about the other one, the *North Hill News*?

Mr. Swanson: It is owned by an independent company, a man called Roy Farron. They also publish the *Rocky View News* and *Market Examiner*, and a few other papers for municipal districts.

The Chairman: These are shopping guides full of advertising?

Mr. Swanson: They are full of advertising.

The Chairman: Would you consider the *South Side Mirror* as competitive with your newspaper for local advertising?

Mr. Swanson: It is certainly a factor. The *Albertan* sells advertising and I think they make an arrangement whereby an advertisement can appear in this publication as well.

The Chairman: You can buy an advertisement...

Mr. Swanson: I have heard this said.

The Chairman: You don't know whether it is true?

Mr. Swanson: I would not know.

The Chairman: Of course you would not know. It might be interesting for us to find out.

Senator Prowse: The *Calgary Herald* does not advertise in these?

Mr. Swanson: No.

The Chairman: Mr. Sanburn, I think you would agree with me that Bobby Orr is a magnificent hockey player.

Mr. Sanburn: Well, I am not a hockey fan, senator, but I understand this is right.

The Chairman: You carry his column?

Mr. Sanburn: Yes, sir, we do.

The Chairman: It must be quite a chore to write that column. The team plays 75 games. When do you suppose he writes it?

Mr. Sanburn: We receive it from the Toronto Star Syndicate.

The Chairman: Do you think he does write it?

Mr. Sanburn: I would not know, sir.

The Chairman: Do you think it is possible he doesn't write it?

Mr. Sanburn: Well, he is a very busy man.

Senator Hays: Jean Beliveau writes it for him!

The Chairman: You don't know whether he writes it or not?

Mr. Sanburn: No, sir, I don't.

The Chairman: Do you think it would be of any interest to your readers to know whether he writes it or not? A column appeared in the *Toronto Star*, which I know was carried in your paper, and it was a very strident column which occasioned a great deal of controversy around Toronto, a column on Punch Imlach. I even heard it suggested it was actionable but I don't think it was. There was discussion about whether or not Bobby Orr in fact writes this column.

Mr. Sanburn: I think you will have to ask the *Toronto Star*.

The Chairman: Would you accept something you didn't know whether or not he wrote? What would you think if we found out he doesn't write the column?

Mr. Sanburn: I would be most dismayed. We buy it in good faith, it is given to us as his column and I believe he must, therefore, have some say about it whether he puts the words together or simply tells the ideas to someone, I don't know; but he gives advice as to how young hockey players...

The Chairman: He hasn't for weeks and that is exactly what he does not do. It is more a comment about what is happening in the National Hockey League. You think we should ask the *Toronto Star* whether or not Bobby Orr writes the column. I think it is written by somebody not working for the *Star*, but another Toronto newspaper.

Mr. Sanburn: I should say, Senator, the columns that cause the most controversy in Calgary are those written by Miss Ann Landers and Jim Coleman.

The Chairman: That is the question I wanted to ask you. Are you perplexed about the amount of feature material which is carried in your newspaper which is imported directly from the United States? Does this trouble you at all?

Mr. Sanburn: No, sir. Each column or each feature item, they are picked on their merits, and if we don't want them we would not take it.

The Chairman: You don't think it is regrettable that most of the syndicated stuff that

comes in—astrology columns and health columns, lovelorn columns are from the United States? This doesn't trouble you?

Mr. Sanburn: No, sir. There are very few available from Canadian sources.

The Chairman: I wanted to ask you that. There are no Canadian counterparts available?

Mr. Sanburn: Personally I would prefer more of this material available certainly from Canada, or even British if possible. We have had over the years a policy of trying to buy from them. There have been two or three Canadian comic strips and we bought them as a matter of principle, but they all died.

The Chairman: Why? Were they not good enough?

Mr. Sanburn: Well, somebody got drunk and quit drawing, and with another one the creator died, and the other just petered out.

The Chairman: Is there a Canadian advice to the lovelorn column syndicated and available?

Mr. Sanburn: I think there is one of minor nature which originates in Ontario. It has been offered to us.

The Chairman: Is there a Canadian astrology column available?

Mr. Sanburn: Not that I ever heard.

The Chairman: I rather agree with you it is regrettable there are not more.

Mr. Sanburn: I would be delighted to see more.

The Chairman: I have one other question on the brief. I would like to ask you about page 13, section 43. You were talking about the letters to the editor column and you said that:

"Frequently the whole opposite editorial page, known as page 5, normally devoted to background articles is given over entirely to letters in order to keep pace with the heavy flow."

How many letters do you get?

Mr. Sanburn: It varies. I would say we get probably an average of from 10 to 30 a day.

The Chairman: Twenty a day would be an average?

Mr. Sanburn: I would think so.

The Chairman: Around a hundred a week, Mr. Sanburn? What percentage are published?

Mr. Sanburn: I would say about 95 per cent.

The Chairman: And those that are not are belous or slander...

Mr. Sanburn: Yes.

Senator McElman: I am told there are quite a number of stories carried in the *Herald* from overseas with date lines of London, England, and so on, and they carry the by-line Joe Doakes, *Herald* staff. Are they in all instances *Herald* staff?

Mr. Swanson: The only time this is used, is on reports from in fact our own staff reporters who are reporters on the Southam News Services. The practices vary how you credit these people. If a reporter of Parliament Hill in the Southam News Service wrote a story we would say "The *Herald's* Ottawa bureau", and whatever the name is. We regard them as our bureau. We don't keep a staff in down here from the newspaper but we pay a share of the maintenance in the Southam News Service in Ottawa or in London and regard them as our people. It is the matter of choice. Some papers do say "Southam News Service" and some say whatever is the staff reporter. We say "The *Herald's* Ottawa bureau". It is simply a matter of choice because we have a proprietary interest in the staff and organization.

Senator McElman: Is it not more than the matter of choice, Mr. Swanson? You carry on your masthead that you are a member of the Southam group?

Mr. Swanson: Yes sir.

Senator McElman: Daily.

Mr. Swanson: Daily.

Senator McElman: Would it not follow along that you would credit the by-line to one of the S.N.S. services?

Mr. Swanson: I don't think it would follow along, sir. I think in a competitive field you tend to take whatever advantage you can for competitive reasons out of this situation. I know it is the practice in some other cities to use the New York Times service on a story or say special to whatever newspaper it is. I suppose it is special to that newspaper, but it is still the New York Times story and by the terms of the agreement between the subscrib-

ing newspaper and the *New York Times* they are supposed to say it is the *New York Times* but not all newspapers do this and the *Times* doesn't seem to make any fuss about this.

Senator McElman: There is no conscious effort to indicate to your readers that the *Herald* has people all over the world?

Mr. Swanson: No. We frequently advertise with promotional ads with pictures that we belong to this organization and show pictures and say that they are Southam News Service personnel and the by-line does say from the *Herald's* Ottawa bureau after the man's name.

Senator McElman: You carry in your classified section, I suspect daily, "All ads restricted to proper classification. The *Herald* will appreciate having its attention drawn to any advertisement not conforming to the highest standard of honesty."

I have here three editorial type columns that appear regularly, I believe, in the *Herald*. One is headed "Palliser Square" by Rod Sykes. Is that actually an editorial or is it an advertisement?

Mr. Swanson: No sir, it is a paid advertisement.

Senator McElman: I see no indication in it that it is a paid advertisement.

Mr. Swanson: Well, I think in Calgary there is no doubt about this. Mr. Sykes is now the Mayor of the City of Calgary and there is a successor that does that. This particular advertisement to which you refer appears in our own local reproduced magazine section which appears each Friday. The bulk of the material in the section is editorial matter. There are advertisements scattered throughout, many trade advertisements. This one is boxed with a black box. We feel that is adequate. There are one or two other advertisements of a similar nature, one by a local car dealer.

Senator McElman: You don't think it would be better for the reader that this actually be shown to be an advertisement?

Mr. Swanson: It never occurred to me and I doubt if it occurred to anyone else's mind in Calgary that it was not.

Senator McElman: There is another Bill Pattimore's Plugs and Points. This has to do with automobiles. At the bottom of it is

shown the name is Pattimore, the company is Metro, the product is Ford—Metro Ford. It is much more clear that we are dealing with an advertisement here.

Mr. Swanson: That advertisement appeared originally and I think the Palliser Square was modelled after that, and this is how it came about. Palliser Square is a commercial development. The Husky Tower is a fully commercial development and it seems to me there should be no doubt that this is a commercial promotion.

Senator McElman: There is a further one Import Report. Clearly it is an advertisement or at least I would regard it as being clear. Are these in fact written by these people, or are they written by staffers?

Mr. Swanson: In the case of Palliser Square it is written by Sykes, or whoever his successor is. I understand he writes it. I understand the Desson man writes that one. That was written from his office. I am not sure whether the other one is not written by an advertising agency. It comes in this manner.

Senator McElman: Any part of this written by your staffers?

Mr. Swanson: No, sir.

Senator McElman: None?

Mr. Swanson: None.

Senator McElman: At page 22 of your brief you give questions and the percentage of respondents to a public opinion poll you conducted. You give two elements of it but I suggest there is one element in order for us to be able to give it full weight, there is one element missing. Surely everybody didn't respond? Were there no respondents who had no opinion?

Mr. Swanson: I assume probably people did not respond, Senator. We caused this survey to be taken and we said "Will you survey a number of people and find out what the people think of the *Calgary Herald*?" These were the results they gave to us. Whether they had to go to a larger sample because they were refused answers I couldn't say. They did interview the number of people we requested them to talk to.

Senator McElman: When you are waiting results in a study you cannot do it on the information provided here. You have to know whether 40 per cent responded or whether 90 per cent responded before it has much bear-

ing. Could you perhaps get this information from your agency and provide it to us? I mete out this part of it?

Mr. Swanson: Yes.

Mr. Sanburn: I compiled this particular part of the report, Senator McElman, and the only alteration I made in the summary which appeared in this thing, was, for the sake of saving steps, I lumped together more or less the favourable and more or less the unfavourable. I am sure if there had been any section that so many did not respond I would have included it. Offhand I cannot remember whether there was anything along this nature. We will certainly find out.

Senator McElman: I enjoy reading reports and I would like to have it if it is available.

The Chairman: Mr. Fortier, have you a question? We will then have Senator Hays and then following Senator Hays, gentlemen, we will adjourn for a moment or two and then we will get to the *Vancouver Province*.

Mr. Fortier: As I read your brief on page article 29, the last sentence:

"Newspapers grow only as they build their reputation for honesty and fair dealing."

I am going to ask you this question and don't expect you want to give away trade secrets: Why your success story as compared with the *Albertan*?

Mr. Swanson: Mr. Fortier, I think the *Calgary Herald*, over the years has been noted as an outspoken newspaper. It has been honest, hardhitting newspaper and I am not comparing us in any detrimental way with the *Albertan* whatsoever. I am afraid I cannot speak for the *Albertan*. One of the reasons I suppose for our success, apart from any self-righteous feelings on my part, is the fact that the evening newspaper and by tradition a history in Canada the evening paper has seems to be firmly established. In most cities where you will find morning newspapers and evening newspapers, the evening paper will be the largest and certainly the wealthiest papers. Toronto is an example, and I suppose Montreal is, and Vancouver seems to be. *Calgary* is certainly this way. The evening paper is the paper people tend to read and both in our advertising promotion over 85 per cent of the people in the City of *Calgary* read the *Herald*.

Mr. Fortier: Are you doing certain things differently than things done by the *Albertan*?

Mr. Swanson: I like to think, Mr. Fortier, that we are doing something right. I am not quite sure what the formula is.

Mr. Fortier: All right. won't press you on that point further. Your treatment of the local Calgary news, how many people on your staff do you have who are assigned to the Calgary scene?

Mr. Sanburn: The establishment... pardon the expression... allows for 19 local reporters. At the moment we are one short of that number of people actually assigned to the local news.

Mr. Fortier: Is this considered to be sufficient as far as the reading public is concerned?

Mr. Swanson: It seems to me we increased this number by two a month or so ago. It was a bit too much for 17 and now we are in the process of adding two more. I would not be at all surprised if we are going to have to add still more.

Mr. Fortier: Was this in answer to a particular need which was expressed to you by your readers or...

Mr. Swanson: The impetus came through the city desk and the managing editor. They pointed out the reporters were working far too hard and too long hours and they wanted to take some of the pressure off these people.

Mr. Fortier: As you know, this committee has had a number of studies made of newspapers in Canada and in one instance our researchers have studied the contents of 30 newspapers selected at random in Canada over a period of three months. This was in 1919. The Calgary *Herald* on a percentage basis ranked lowest in news content and the lowest in proportion of staff written news compared with news from wire and other sources. This would seem to suggest that the *Herald* may not be doing an adequate job of covering the local scene. In view of the results communicated to us, I think it would be only fair to ask you to comment on it.

Mr. Swanson: I might mention, Mr. Fortier, that 19 are reporters. We have another group of specialists, writers and columnists. That is the agricultural editor who writes an agricultural column daily; the mining specialists; we

have a petroleum writer and a petroleum editor who are specialists. We don't count those people in here. They are over and above the 19. The entire news staff, I think, is mentioned in the brief.

Mr. Sanburn: Between 75 and 80.

Mr. Swanson: Most usually around 80 people. It seems to me an adequate staff for a newspaper the size of the *Herald* and I am certain we give all the local coverage that the situation appears to warrant.

Mr. Fortier: So you have no further comment on the ration brought to our attention that would seem to indicate that internationally and other provinces are being covered more in any given day, given more coverage?

Mr. Swanson: I can't accept that. We would be getting lots of static about it if that were true.

The Chairman: Of the 30 papers we surveyed the *Herald* contained the lowest staff written material on a percentage basis.

Mr. Swanson: You were speaking on a percentage basis?

The Chairman: Yes.

Mr. Swanson: I would suggest to you, Senator Davey, if this matter were actually measured by column inches there would be a great deal more.

The Chairman: I think you would agree that if we compared the Woodstock *Sentinel Review* and the Toronto *Star* we would have to work on a percentage basis, or indeed comparing your paper with the *Sentinel Review*. On a percentage basis that was not the case.

Mr. Sanburn: If you run a very large paper as we have been doing and you have 12, 14 to 16 pages it is quite impossible for the local staff to produce that much extra copy so we have normally on hand a much more readily available supply of news from our various services—the *Canadian Press*, *The New York Times*, and so on.

Now in the bigger papers I would not be surprised that the general content of the non-staff news would rise.

The Chairman: I don't think that was necessarily the conclusion that we drew. The problem you speak of is a problem faced by all papers in Canada.

Senator Prowse: Mr. Chairman, may I ask a question? My recollection is that that study was based on the number of items and specifically stated that they had not measured the length of space in each article; they had not compared the column inches with the columns of individual stories. That worried me at the time and my recollection might be wrong. I think it is something that should be brought out. Maybe somebody could tell me.

Mr. Fortier: Stories in absolute terms.

Senator Prowse: In other words a one inch front story carried about the same credit as an eight column headline.

The Chairman: I am sorry to disagree with the Senator. I think the measurement terms was standard for all people in the country.

Senator Prowse: Well, if your ruler is an elastic one it is not a hell of a lot of use to you, you know.

The Chairman: Well, I guess the Senator and I have a difference of opinion.

Senator Prowse: I thought it was a funny way of measuring things at the time, and I still think so.

Mr. Fortier: As I recall it it was in absolute terms and I think you have expressed your comment that you feel this could not be.

Mr. Sanburn: I find this very difficult to believe. It is very difficult.

Mr. Fortier: In order that our record be complete, another piece of information which was communicated to the committee by the researchers—and this one dealt particularly with the *Herald*, not a comparative study—they examine all issues of the *Herald* during the month of May, 1969, and found that the *Herald* carried 21 stories and photographs about the Calgary Chamber of Commerce and really my question is: Does any other community group in Calgary get the same kind of treatment? What is peculiar about the Calgary Chamber of Commerce?

Mr. Swanson: There is nothing especially peculiar about them from the standpoint of the *Herald*. I am not personally involved with them except I happen to be a member of the organization. I resigned as a member of the Council as I felt it might be inadvisable for a publisher of a newspaper to have anything directly to do with the Chamber of Commerce.

There is nothing sinister about this at all. I must have had a very active month. They are a very active organization. They have aviation committees, agricultural committees—they are always up to something. I presume this was regarded as news by the news editors. If anyone else has the same thing we would cover them too.

Mr. Fortier: You were here this morning when Mr. Balfour was asked about the comment on the two articles, one which appeared in your newspaper by Robert Cohen and another two days later in the *Winnipeg Tribune*. Would you care to use this opportunity to tell us your views on this particular matter?

Mr. Swanson: My recollection is Mr. Cohen wrote the article as he said he did.

The Chairman: That is your paper...

Mr. Swanson: I am almost certain Mr. Hill as in Quebec City at this time so he couldn't have written the article. It happens in the composing room when a batch of copy is composed into a page this way that the by-line of the main slug of the man is set and the compositor simply reaches out for the first one and sets it in the page. He may have reached for the wrong one this time. This has been known to happen before, and I presume will continue to happen.

Mr. Sanburn: This first names are exactly the same and I was asking Charles Lynch at the lunch time about this and he foresees the same thing coming up. Now on the news service we have one man named Nick Hill and one Bob Hill. I would not be surprised if one day the same thing shows up.

Mr. Fortier: Is Robert Cohen a member of the S.N.S.?

Mr. Swanson: Yes, he is. Later moved to the *Winnipeg Tribune*.

The Chairman: I think we will adjourn for about two or three minutes. I don't want to have a long adjournment. I will then ask to hear from the Vancouver Province.

Senator Hays: Mr. Chairman, I have one question.

The Chairman: I am sorry, Senator.

Senator Hays: In your newspaper I suppose you have a code of ethics because I think it is a pretty responsible newspaper, at least I read it all the time and I am brainwashed if it

ot. I am wondering about advertising and what your feeling is about drugs and tobacco and that sort of thing as a newspaper?

Mr. Swanson: We do indeed, Senator Hays, have a code of advertising ethics. Many occasions arise where the advertising manager comes to me with some advertising copy and says "What do you think about this?" I say "I can't think we will print it." This occasional applies to motion picture advertisements, some pretty lurid ones which we say we will not run and we ask the theatre or exhibitor to substitute another one or not put it in at all. We carry liquor and tobacco advertising in most newspapers in the country. A publisher retains the right to refuse any advertisement on the grounds of taste or decency and it is interesting that we on many occasions are called upon to exercise this judgment and refuse permission to an advertiser to put a particular amount of copy in a paper.

Senator Hays: The reason I asked this question, and it is a question which is common to a lot of newspapers, on January 8 you published in colour right across from your Teen Dateline an advertisement for a new cigarette called slim size cigarette. In the light of all the findings on tobacco and cancer, I am wondering what your thinking would be in taking such an advertisement and putting it in such a place? There were a few coloured advertisements that particular day.

Mr. Swanson: Senator Hays, the thing that dates position of coloured advertising is the availability of your press equipment on that particular day. It has to do with size and the number of pages and how many other coloured advertisements might be scheduled to run that day. It is possibly questionable whether a Teen Dateline column should have appeared very closely beside it. It was not planned this way.

Senator Hays: This was not at the advertiser's request?

Mr. Swanson: No. They are placed where it is possible to accommodate them.

Mr. Sanburn: The editor of the family press would not know the ad was there. The bottom part of it would be marked advertisement and he has left to him the rest of the page to make up. He would have no idea that the Teen column would be in proximity to the ad.

Senator Hays: A pretty nice set of pins above it too! I was wondering if there was any relationship.

The Chairman: Which was it that caught your attention first?

Mr. Sanburn: Senator Hays, you will remember the day many years ago—I am sure you were in Calgary then—when we ran a coloured ad for the gas company opposite a story about the gas chamber concentration camps in Germany. The gas company was not very happy.

Senator McElman: Can an advertiser actually purchase location in a newspaper at a premium rate?

Mr. Swanson: Yes, sir, he can.

Senator McElman: At a premium rate?

Mr. Swanson: For instance, in this advertisement you had there a few minutes ago appearing in our magazine supplement there is a premium rate charged because they want to get in that particular location.

Senator Hays: Then is the advertising rate the same in the *Journal* as in the *Calgary Herald*?

Mr. Swanson: No sir, it is not.

Senator Hays: Is it higher in the *Edmonton Journal*?

Mr. Swanson: Yes, it is.

The Chairman: We will now adjourn for two or three minutes and then meet with the *Province*.

— A short recess.

— Upon resuming at 4.30 p.m.

The Chairman: Honourable senators, I would like to call the session back in order. The next brief we are going to receive is from the *Vancouver Province*. Sitting on my immediate right is the publisher of the *Vancouver Province*, Mr. Fred Auger; and on his right Mr. Patrick (Paddy) Sherman, the editor of the *Vancouver Province*.

I think Mr. Auger I can dispense with my usual preamble and you can proceed.

Mr. Fred Auger, Publisher, Vancouver Province: We concluded our written brief by expressing an invitation to you and your committee, Mr. Chairman, to come to Vancouver, visit the people who produce our daily newspaper. It would be even more

appropriate if you could talk with the people in our community who read our newspaper every day.

It is estimated that there are an average of three readers for each copy of the daily newspaper sold. So, there are 360,000 people who read 120,000 copies of the *Province* daily. Why do they do it? They are not compelled to buy it against their wishes. They have other choices. We can only assume that they buy it and read it because they want it, and they want it because it performs a service and fulfils a need in their lives. These are the people who hear testimony to the acceptance of our product. These people are our press council, and they don't hesitate to let us know when they disagree with us.

But I am confident that the vast majority of these people will confirm that the Vancouver newspapers today are of a higher quality, better written, better edited, better printed, more comprehensive in their news coverage than ever before and by "ever before" I particularly mean before the establishment of Pacific Press Limited.

Our brief outlined the background of circumstances which led to the formation of Pacific Press Limited, but it does not devote adequate emphasis to the fact that, had it not been for the formation of Pacific Press Limited, undoubtedly the community today would be served by only one daily newspaper. And I make no apology for the quality of newspaper service which, under the existing two-paper publishing arrangement, we at the *Province* are giving to the advertisers and readers of the *Vancouver Province*.

I would challenge any suggestion that the joint publishing arrangement such as we have at Pacific Press is detrimental to the existence of a free, unhampered press. Rather, I submit that a struggling independent newspaper in today's economy and without the support of any affiliations is much more likely to be suborned or find itself subject to pressures on its integrity for economic reasons.

If your committee, in its wisdom, will make a searching examination of our Pacific Press publishing arrangement I am sure you will see that it is not an object of suspicion but, rather as a model which might be adopted in other situations where the survival of a second newspaper is at stake.

As we do from time to time, we analysed the *Province* news content during the months of September and October last year. It shows

that one month does not an average make when it comes to assessing balance. In October, for example, 14 per cent of our general news content came from overseas. That could give you one idea of our news balance. But in September the comparable figure was 25 per cent overseas news, which gives a quite different picture.

I don't want to put too much emphasis on the column inch percentage measurement of news content as it is only one way of measuring and certainly not by any means the only valid way of evaluating what is in the newspaper. A one column two inch story might be infinitely of greater importance than an eight column 16 inch story, as Mr. Fortier's moment ago pointed out.

In September 52 per cent of the general news in the *Province* originated outside B.C.'s borders and in October the figure was 45 per cent. Bearing in mind our duty on the local metropolitan and provincial scene those figures refute any suggestion of colloquialism.

The September and October breakdown shows that, of the total news content, 40 per cent was general news; 18 per cent was sports; 10 per cent was business and finance; 12 per cent was women and family matters; and 20 per cent was related to culture and entertainment, ranging from drama and music to television listings.

Despite suggestions that newspapers devote too much with the U.S., in September and October only 11 per cent of the general news in our paper related to the U.S. Less than 1 per cent of our business coverage dealt with U.S. matters, and only 7 per cent related to U.S. entertainment. The biggest single area of U.S. news is in the sports pages, for obvious reasons, where the proportion was about one-fourth.

At times it is suggested that some newspapers rely too much on routine wire-service stories. That is certainly untrue about the *Province*. In October, our own staff and the staff of Southam News Services wrote 58 per cent of our general news and 71 per cent of our financial news. September's figures were 59 per cent and 72 per cent.

The committee has asked whether newspaper men are paid enough to attract people with adequate educational and other backgrounds. Right now we are negotiating with our unions and have offered to raise the minimum

um wage for a senior reporter to \$208 weekly by next October. That is \$10,800 a year. Most of our morning paper editorial employees receive extra pay for night work, raising their minimum to \$11,370. That is for 37½ hour week, with overtime for extra hours work.

In British Columbia members of the Legislative Assembly are paid \$8,000 a year. Vancouver School Board recently concluded a new contract giving high school teachers with pre-year bachelor degrees in education, salaries ranging from \$7,350 to \$12,200, the latter figure reached only after 13 years of teaching. Our reporters become fully qualified for top sale after five years.

I think you must agree these comparisons show we are paying our people well. Nevertheless, we lose staff members to public relations firms that offer more and who, along with the newspapers, are constantly facing the challenge of higher salaries offered by the federal Government for the special talent of journalists.

Like most newspapers today we have many full-time specialists. Our observer on matters of education is a former high school teacher. We have a man on investment analysis who is qualified to hold a licence as investment counsel and our business editor is a School of Business Administration graduate. Labour, politics and civic affairs are covered by specialists in these fields, and so on. Many of our editorials on economic matters are written by a M.A. in economics. Our marine editor is a ex-Navy officer who has sailed his own vessel across the Pacific Ocean. Recently we covered the Colombo Conference in Victoria by a reporter who has had five years of Southeast Asia journalism in his background. We do our best to bring the broadcast experience and authenticity to all areas of our news coverage.

In this increasingly complicated and bureaucratic age, we run one department with full-time employees who help readers solve personal problems and cut through bureaucratic red tape. In the last three months of 1969 that department dealt with 8,7 problems submitted by readers. The bulk of them were resolved, despite the fact that advertisers who objected to the publicizing of their shortcomings cancelled many thousands of dollars worth of advertising in the *Province*.

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Now I am not claiming that we are more nearly perfect than any other service institution that is constantly in the public eye. From time to time it is suggested that even the Senate itself is not living up to its great potential! But we are thoroughly aware of the need to change and adopt our methods and contents.

There is one element in the matter of service to newspaper readers which I think your committee might give some thought—I refer to the great carrier-boy organization which is responsible for the daily delivery of newspapers throughout Canada.

There are approximately 69,000 newsboys in Canada, quite an army! We have 2,100 of them selling the *Province*.

These boys help to support themselves by earning an average of \$8.25 a week, \$35 a month, or about \$425 per annum. On a national basis this represents a total earnings for carriers and news vendors of more than \$29 million a year.

Recruiting and training this little army of rising young Canadians is no small task for the circulation departments of the daily papers. Approximately one-half of the men in Canada were newspaper carriers at some time in the course of their youth, and I am sure all of them would say the benefit of having had this business experience is part of their education.

Mr. Chairman, in an interview last year you were quoted as saying, "The press serves us well but it could serve us much better". Your statement is so true as to be almost a cliché because we never are satisfied with the levels we have reached. Improving today on yesterday's performance is the story of newspaper publishing.

On the completion of your deliberations we hope you will be able to pass on to us some useful ideas on how we may improve our service. We are always open to suggestions.

One of your committee recently referred to the press of Canada under certain situations as having "raw, naked, unadulterated power". Frankly, I think this description amusing. In all the realm of the press of Canada the strongest, raw, unadulterated power I know of is the power of the labour leader, even the leader of the small union representing perhaps as little as 5 per cent of your employees, who has the power to shut down a newspaper and force it out of business.

Then there is the latent, raw, unadulterated power in the hands of the Government which, by the imposition of censorship, taxation, unrealistic combine legislation, restriction of operations or control of ownership has the power to create a set of conditions under which a newspaper could not publish with any degree of freedom.

Lastly, let us not underrate the intelligence of the Canadian public and the wide variety of information available to them, however isolated they may be geographically. They would be quick to rise on raw, unadulterated power at any attempt which might be considered brainwashing.

Senator McElman: Perhaps one gets brainwashed on occasion by such terms as "the pen is mightier than the sword." You have heard some of the questions and answers of the previous witnesses. With reference to the Canadian Press Service, the wire service, and your own Southam News Service that provides material from the Province of Quebec, do you carry a large percentage of what you receive on the wire?

Mr. Auger: Senator, I am going to ask my editor to answer that.

Mr. Patrick (Paddy) Sherman, Editor, Vancouver Province: We do use the bulk of what comes to us, most of it.

Senator McElman: Would you say in the area of 90 per cent as suggested by the previous witness?

Mr. Sherman: I would be pulling figures out of the air, senator. I would probably say 70 to 80 per cent.

Senator McElman: Do you feel this is serving the purpose of explaining to British Columbians the problems involved or do you put feed-backs to the service asking for further information?

Mr. Sherman: From time to time we will ask for information on specific subjects, but I think we have done a fair job of dealing with the basic issues that have arisen in Quebec from time to time.

Senator McElman: Firstly, do you feel the Canadian Press is providing adequate service in providing information to the nation on material out of B.C.? For instance, what you provide to the C.P. wire, is a good percentage of that being used?

Mr. Sherman: Judging from what I read in the papers down here the flow from west to east is very much smaller than the flow from east to west.

Senator McElman: Would you have an idea why that would be the case?

Mr. Sherman: I really couldn't say unless it is that there is not as much demand down here for news from the far frontier out there.

The Chairman: You mean there is not demand in the east for news of what is happening on the coast?

Mr. Sherman: That is what I would suggest, sir.

The Chairman: And in using news from Quebec, are you responding to a demand from readers?

Mr. Sherman: What we think is the demand.

Senator McElman: I just recently watched telecast, I believe from the CBC, and one of the principals was Jacques Pariseau the well known economist in the Province of Quebec, am not out to spread his word at all but one of his contentions is that there is developing in Canada sort of an adversary situation between the English language press and the French language press, particularly that of Quebec; and he used to illustrate that the supposed flight of capital from the Province of Quebec the Toronto papers seemed dwell on this.

A specific example, I believe, he said, was on August 3rd, 1967, in the *Globe and Mail* and that they had taken, as an example, buy-in by the Provincial Bank into the shareholding of Caisse Populaire, or something of that nature, and that this was the proof of how the capital was leaving and they had in fact shore up the operation within the province.

In truth, the situation was the Bank Canadienne Nationale had been trying for some three years to acquire that element of stock.

What I am getting at is he says there is consciously or sub-consciously—he suggests consciously—a war of words developing.

Do you feel there is any indication of this in the press of British Columbia in relation to the rest of Canada, or more particularly with respect to the Province of Quebec?

Mr. Sherman: Speaking for my paper, sir, I would say that is rubbish.

Senator McElman: I thought it was myself it I was interested in getting your viewpoint.

Mr. Auger: We haven't seen any signs of flight of capital out of Quebec to British Columbia, much as we would welcome it.

Senator McElman: You mean you would welcome the capital?

Mr. Auger: Yes, exactly. The contrary was the case when the Province of British Columbia loaned \$50 million to the Province of Quebec.

Senator Prowse: Forty-nine million, I thought... the other million was interest.

Mr. Sherman: One point you were talking about, the flight of capital... we did buy—I am a bit hazy on the time—something up to two years ago, a freelance article that one of the Toronto papers syndicated talking about the flight of capital. I think it was a very widely read article. Some of the people on the *Financial Times* took strong issue with this and wrote a story which they felt corrected the picture and we put that one in too. We accepted the first one on good faith, and when the second one pointed out errors in the first, we published that too.

Senator McElman: I am sure we would agree that any such situation developing would not be good for the country. I look at it from the Maritimes and the central part of the country, but looking at it from your distaste and your knowledge of the press and the central part of the nation do you see any signs of this?

Mr. Auger: No, I don't see any sign of what you describe as a war of words between the French press and the English press. My own experience is there is a great deal of co-operation and mutual understanding in respect between the English and French language workers within the context of the Publishers Association and within the context of the Canadian Press Association.

Senator McElman: You referred to the Pacific Press arrangement and I take it you recommend this in other situations.

Mr. Auger: I recommend it in our situation.

Senator McElman: Let me put it this way... he...

Mr. Auger: I went so far as to say that I think it was a blessing rather than a curse to the press in Vancouver and under similar circumstances therefore I would have to say—giving it the same blessing—I think that it should have the same acceptance.

Senator Prowse: In the same circumstances.

Mr. Sherman: If the alternative is the death of one of two newspapers.

Senator McElman: A good many witnesses have suggested it is good for the nation, as well as the local area, of course, that there be different voices in a community. For those who are concerned that perhaps the chains are acquiring too many newspapers this would appear to be one of the ways in which a community where there are two, a morning and evening, that they could survive and not be forced into a situation of selling perhaps. We know that in your experience your particular experience, you favour it for your situation. Have there been any disadvantages of such an arrangement that you would point out to us and therefore to the people who might be interested in this area?

Mr. Auger: No, I certainly would not. From the readers' standpoint, from the advertisers' standpoint and from the owners' standpoint I think it has been a highly satisfactory arrangement in any respect. I cannot think of any shortcomings or any reasons why it has not been good.

The Chairman: If that is not the case, why would you not recommend the same technique in other cities?

Mr. Auger: I will recommend it in other cities which may have the same set of circumstances which existed in Vancouver before we did it.

The Chairman: Would it be an improvement in Vancouver if the two newspapers were completely independently owned?

Mr. Auger: I don't think they could be more independent than they are now from the standpoint of serving the reader or the advertiser.

The Chairman: Well then, I come back to the question that Senator McElman asked: Why would you not recommend the technique in other cities directly thought out?

Mr. Auger: I am sorry you misunderstood. I would recommend it in the same set of circumstances.

The Chairman: What set of circumstances would you not recommend it in?

Mr. Auger: Where there are already two or three thriving newspapers.

The Chairman: Only in that situation?

Mr. Auger: Or other circumstances where there was only one newspaper. That was not what we were up against. That was not the position out there.

Senator Prowse: I have a supplementary question. My understanding is that when you first went into the arrangement there was a great deal of consternation on the part of the public?

Mr. Auger: Yes.

Senator Prowse: How long did it take you before the public became reassured that the papers would continue to be completely independent?

Mr. Auger: I would say four or five years.

Senator Prowse: What form did this consternation take as far as you were concerned? You were there at the time?

Mr. Auger: Yes.

Senator Prowse: What form did the consternation of the public take?

Mr. Auger: We used to hear "It doesn't matter, there is only one voice. They are both printed under one roof. Both working for the same boss..." and so on. We don't hear that any more, that has disappeared.

Senator Prowse: You had to go to the public and prove that was not true; is that so?

Mr. Auger: Yes.

Senator Prowse: So it must have been somewhat of a disadvantage for a time. Would you say it was a good thing you had to go out and prove your independence?

Mr. Auger: I do think it was a good thing. We did what we strove to do and I think we have fairly reasonably succeeded in doing that.

Senator McElman: In fact you proved it to the Restrictive Practices Commission, did you not?

Mr. Auger: I think the only thing we proved to them, as far as I know, was that the

community was better for two newspapers than one. They didn't get into the quality the papers to the best of my knowledge. It remained for us to demonstrate to the community it was better to have two newspapers than one.

Senator McElman: That was a competitive situation?

Mr. Auger: Yes.

Senator McElman: So you were proving the same principle to both the public and the commission in effect?

Mr. Auger: Yes.

Senator Everett: Tell me, if the two newspapers had been reasonably balanced in circulation do you think they could have survived under these circumstances as even newspapers?

Mr. Auger: I think they may have, but there were other advantages, mind you, in making the merger that we did. Both newspapers were living in antiquated plants all were faced with tremendous capital expenditure in order to renew these things and it was a question of building two plants or one, and the parties involved saw the wisdom of building one plant and sharing it between two papers.

Senator McElman: The *Times* lasted something less than a year?

Mr. Auger: Thirteen months, I think.

Senator McElman: Do you know what was the principal basis for its demise? Couldn't it face the competition of such an agency arrangement?

The Chairman: Couldn't face competition period, regardless of whether it was the agency.

Senator McElman: Did the agency arrangement make you more competitive to the?

Mr. Auger: No. The reason they didn't survive—there were many, a whole list—the first reason they didn't survive is they didn't get into the department store advertising. In this way and age a newspaper cannot survive in a competitive community without the support of the retail advertiser.

Senator Everett: Why not?

Mr. Auger: The retail readership has a high value.

Senator Everett: It pays the newspapers to pay for department store advertising to have it in the paper?

Mr. Auger: I know of an advertising manager who said "If I had to give it away, I would in order to carry it." You don't run a department store, do you?

Senator Everett: No. I wish I did under these circumstances.

Mr. Sherman: That man was an American.

The Chairman: Why would you say that?

Mr. Auger: He recognized the readership. It would run it at a loss in order to have it in the paper to get the readers. You should ask your wife that question, really.

The Chairman: Woodward's ads sell more papers than Lynch's column.

Senator Hays: Has this happened in Canada in the last six weeks where advertising has been given?

Mr. Auger: No.

Senator Hays: Not to your knowledge?

Mr. Auger: No. I am making a blanket answer.

Senator Everett: Has it ever happened to your knowledge?

Mr. Auger: I am sure that advertising has been sold to department stores at a loss in order to hold it.

Senator Everett: Have you sold it at a loss?

Mr. Auger: I don't think that is a fair question.

The Chairman: I think the answer was given this morning. I think I asked that question of Southam Press Limited and the answer was "No, it hasn't."

Mr. Auger: It hasn't been sold at a loss?

The Chairman: Could I proceed on this department store thing? Are you more interested in the revenue or the readership of these ads?

Mr. Auger: Well, I don't know. I would not like to say.

The Chairman: I was going to put it in the terms of the *Vancouver Times*. Senator McElman asked you why the *Times* failed and you gave us one reason, the failure to attract

department store advertising. In terms of the *Times* which did it miss most the readership or revenue?

Mr. Auger: Well, which came first the chicken or the egg?

The Chairman: Both, in other words?

Mr. Auger: Sure. It is like food—you enjoy the nourishment and you also enjoy the flavour.

The Chairman: Would you agree if the department stores of Canada agreed, as indeed they might, to spend all their money in advertising...

Mr. Auger: Combined to agree?

The Chairman: If first Eaton's agreed, and then Simpsons, and then Woodwards and they all moved their advertising to television, the newspaper industry would survive wouldn't it?

Mr. Auger: We would have to do a considerable amount of adjustment. Now I don't put too much emphasis on this desirability of department store advertising. Also high on the list of desirable things is you cannot run a newspaper in a competitive situation without classified advertising. A lot of readers will buy paper A instead of paper B because there is more classified advertising. That is important too.

The Chairman: Go on.

Mr. Auger: Features, news coverage—as I said there is a whole list of reasons but I put department store advertising at the top.

The Chairman: I think the whole relevancy was relating to the *Times*. We will go back to Senator McElman.

Senator Everett: I have a supplementary question.

The Chairman: Yes, Senator Everett.

Senator Everett: What lineages are involved annually, Mr. Auger, in department store advertising?

Mr. Auger: Oh, department store advertising would run a million, a million and a half, two million lines of advertising in a year.

Senator Everett: Two million would be the high?

Mr. Auger: That would be pretty high. We have department stores running over that in a year.

Senator Everett: What would be the average rate charged by the *Province* to a department store?

Mr. Auger: About the same as you are paying. You know that figure.

Senator Everett: Yes. Twenty-five cents a line?

Mr. Auger: Yes.

Senator Everett: Do you think that is the rate department stores are paying?

Mr. Auger: Just about, yes.

Senator Everett: It is odd, because your retail rate is 21 cents a line at half a million lines.

Mr. Auger: I haven't got the actual figures here.

Senator Everett: You made a statement.

Mr. Auger: It is within that range, yes.

Senator Everett: I wonder if that statement is correct.

Mr. Auger: I said about the same as you are paying. Maybe you are a little higher.

Senator Everett: The rate of 25 cents a line?

Mr. Auger: You are paying 25 cents a line.

Senator Everett: That is what you tell me today.

Mr. Auger: I think department stores are down to 21 cents.

Senator Everett: Any lower than 21 cents?

Mr. Auger: Not to my knowledge.

Senator Everett: Would you like to inquire further for more information?

Mr. Auger: Well, I should point out that our department store rates are a matter of a certain amount of negotiation with the department stores and how much space they use daily six days a week, and how many days a week they are in the paper, and so on, so that the quantity of lineage is not the only factor.

Senator Everett: There would be a frequency?

Mr. Auger: There are frequency factors involved.

The Chairman: Are you still on department stores? I was going to ask about some of the nationally advertising department stores. Let us take Eaton's, would they buy their advertising in Toronto in Southam papers?

Mr. Auger: No, locally each place.

The Chairman: No package arrangement made?

Mr. Auger: No. They don't buy advertising the way we don't buy newsprint.

Senator Everett: I would like the average rate paid by department stores in Vancouver.

Mr. Auger: I think you have actually got in your research somewhere. I believe you were asked for that when your people came.

Senator Everett: That was in the confidential research we did have it.

Mr. Auger: Let's keep it that way.

The Chairman: I think at this point should say I would accept an answer from the witness of not choosing to answer that publicly. Is that your basic position?

Mr. Auger: Yes. Your committee has the information and I don't care to put it on the record.

Senator Everett: I should point out we do have the information in the form in which asked the question.

The Chairman: Would it meet with your approval if Mr. Auger agrees to send the information? I think it is his understanding we have the information and you say you haven't and therefore could you send it, Mr. Auger?

Mr. Auger: Yes.

Mr. Fortier: In the case of the newspaper such as the *Times*, giving the importance which you attach to the retail advertising at which we are aware of, is it a fantasy on the part to say that a publisher of a new newspaper could offer to his department stores in the locality, the community where he is going to publish, free advertisements say for a six months period to get launched?

Mr. Auger: No. I am sure he would find takers too. It is not fantastic at all but it is awfully expensive.

Mr. Fortier: Would the cost outweigh the advantages in increasing circulation or getting circulation started?

Mr. Auger: I think so.

Mr. Fortier: You said in particular in Vancouver this was one of the main reasons why the *Times* was not able to survive because it could not attract retail advertising.

Mr. Auger: That is what they claimed was the principal reason they couldn't carry on. They were inadequately financed, of course. They didn't have enough working capital. They raised about \$3 million in public subscriptions but did not invest any of it in fixed assets. They rented a building, they rented presses, they rented office furniture, they leased even typewriters and so on. The capital they had went out for operating expenses of newsprint and wages and when that was gone they were finished.

Mr. Fortier: Are you suggesting if anyone wishes to launch a newspaper in a community at before doing so he should assure himself it has minimum number of advertising contracts?

Mr. Auger: Well, it would be difficult to get the advertising contracts but yes, he should have assurance he would get a lot of local advertising or confident he is going to get it because he won't live without it.

Mr. Fortier: It is like the chicken and the egg. The advertisers for their part will not agree to advertise unless they know what the market is going to be.

Mr. Auger: Yes. You will recall there was the newspaper launched in New York that was going to survive without advertising and they found the readers would not buy it. PM, it was called.

Senator Prowse: That was quite a while ago?

Mr. Auger: It was 1948, or something. They had a lot of backing but the public didn't buy it because it didn't have advertising in it.

Mr. Fortier: We had the case of *Le Nouveau Journal* in Montreal a few years ago. This had very extensive financial backing but one of the reasons—no advertising.

Mr. Auger: Yes.

The Chairman: May I ask a question on advertising? I am sure you think newspaper

advertising is a fairly effective form of advertising?

Mr. Auger: Oh, yes.

The Chairman: How does the Southam Company sell national advertising? What is the sales organization?

Mr. Auger: The Southam Company has the national advertising sales office in Toronto with a staff of people calling on the users of this class of advertising and a similar office in Montreal, and these people travel over Ontario and Quebec selling the virtues of advertising in Southam newspapers across the country. This office does not service the *Vancouver Province* or the *Vancouver Sun* or the *Pacific Press*. We have salesmen in Toronto selling on behalf of the Vancouver papers and similarly a man in Montreal.

The Chairman: If I am an advertising agency in Toronto and want to place an insertion in all the Southam papers, I must call the Southam Company and the Pacific Press representative? I cannot say to Southam "Put me in the *Province* too"?

Mr. Auger: I think you can. Just one more phone call and he would be there awfully fast.

The Chairman: I will return to the question you were talking to Mr. Fortier about. How much national advertising is carried in the *Province* that is not carried in the *Sun* in an average in a week?

Mr. Auger: In the year 98,000 lines last year.

The Chairman: That is the answer we wanted, thank you. There was an appendix to the Southam brief this morning on *The Effects of Common Ownership on Media Content and Influence*, George H. Litwin, Harvard Business School. I am sure you are familiar with that.

Mr. Auger: Yes.

The Chairman: It starts off:

"The mass media have less influence on thought and behaviour than is popularly believed..."

Do you think your advertising representative would agree with that? Do you think that is an effective sales tool, that statement?

Mr. Auger: I don't think that statement was made in connection with maybe creating a

buying impulse or communicating information about bargain basement sales. I have seen a small newspaper ad tear down a merchant's store.

The Chairman: So have I.

Mr. Auger: I don't think that is what is intended there. I read that and I think what it said—I mentioned a moment ago—I think the public tends—some people tend to over-estimate this power of the press. I think it is the power of the information the press conveys that is confused with the powers of the press itself.

The Chairman: Including advertising.

Mr. Auger: Yes.

Senator McElman: On the matter of the power of the press you place great emphasis on it in the latter part of the remarks. Just to keep it in balance, you are the second or perhaps the third publisher that I have had to correct in getting it back into its context. The reference was to "potential power". Emphasis was placed on the potential and some publishers have published that the emphasis was placed upon the potential.

Mr. Auger: May I say, sir, that I don't think the potentiality is there.

Senator McElman: You don't think that the pen is mightier than the sword?

Mr. Auger: Well, the sword is not very mighty now.

Senator Prowse: It is a little old-fashioned. May I ask a question?

The Chairman: I think that Senator McElman is still proceeding.

Senator McElman: It is the fact at least that many of the leading journalists, television executives and performers, have come to the central part of the nation, particularly to the Toronto area, and to such a degree I understand they are referred to in terms such as the Vancouver Mafia in the Toronto area. Does this indicate any special or exceptional training that is going on in the Province of British Columbia that might be of interest to the rest of the nation? Is it exceptional or different?

Mr. Sherman: I don't think we do anything differently. I think we do it as well as anywhere else. I think there is always an attraction to working for the biggest of its kind and this is where the biggest papers happen to be.

Senator McElman: You don't see anything particularly significant in the training field itself?

Mr. Sherman: No, I don't.

Mr. Auger: I remember someone telling me one time that all the great bankers came out of the Maritime provinces. I think the C.P. is run by executives west of the Great Lakes. I don't think anybody in the head office was born east of Fort William.

Senator McElman: The way they treat the Maritimes I believe it.

Mr. Sherman: It would be interesting to see how many people we have on the staff who come from central Canada. There is a great flow in both directions.

The Chairman: May I ask one question? On page 9 in your brief you make reference to the statement I made that if the groups asserted there is editorial freedom within the member newspapers, it would be up to them to demonstrate the fact. You go on in the next four pages and you mention the Carter Report, postal rate increases, Arctic sovereignty, bilingualism, NATO, the Rhodesia problem and medicare. In each of these you demonstrate that member papers of the Southam family have had different views. What was the last issue on which the Southam papers all editorialized with like voices?

Mr. Auger: Probably on sin, or something like that.

The Chairman: That is it—motherhood and sin.

Mr. Sherman: It is so unusual I am sure you would all be aware of it. I think probably there were a number of reversals of fortune in the last general election. I think, if my memory is correct, that one way or the other everybody but one said Mr. Trudeau would be better than the alternative.

The Chairman: One didn't?

Mr. Auger: North Bay.

The Chairman: That is interesting. That is in effect in answer to the question.

Mr. Auger: As one after another fell away they were astonished.

The Chairman: I could ask a question at this point, but I am not going to.

Senator Prowse: The thing that I have been intrigued with is you say the *Times* fell because it didn't get department store advertising. Now what I am interested in is this: what degree of penetration, what percentage of penetration of the homes in Vancouver does the *Province* have and does the *Sun* have, and what is the total penetration of those two newspapers or was it at the time the *Times* thought of getting into the business?

Mr. Auger: It is about the same as then, around 92 per cent of homes as nearly as we can tell.

Senator Prowse: Which would be just about 10 per cent of the homes which would be in the market for a paper?

Mr. Auger: Yes.

Senator Prowse: Really what happened then was the department store advertisers with another paper coming into that market would mean they would be buying ads which would be duplicating ads they were already paying for.

Mr. Auger: Yes.

Senator Prowse: And anybody that wanted to start a paper in an area where there already was one or more papers that were achieving pretty high percentage penetration of the market would have to fight that kind of resistance because it would merely add to the expenses of the store.

Mr. Auger: Yes.

Senator Prowse: You would not have to fight to keep out a competitor, the advertisers would keep him out.

Mr. Auger: We were meticulous in doing nothing to prevent the fellow from succeeding; albeit we did not give him any hope but we were meticulous in doing nothing that could be said to frustrate this fellow's effort. Let us get this understood on the question of launching a newspaper—never in the last 30 or 35 or maybe 40 years has anybody launched a daily newspaper in North America successfully in a metropolitan community. There have been many efforts.

Senator Prowse: Probably for that reason...

Mr. Auger: Many efforts where they had much more capital and backing and knowledge and everything than that poor paper had.

Senator Prowse: What I am interested in is this is one of the factors that makes it most certainly improbable and almost impossible for any of the cities in Canada which now have one newspaper, where that newspaper has a reasonable degree of penetration and a reasonable degree of acceptance, of getting two newspapers in any foreseeable future under the conditions as they exist today.

Mr. Sherman: If there is a degree of penetration, as you say, and in the order of what we are talking about, any new product that comes in must be demonstrably superior to anything that is there before the people will start to buy it. The *Vancouver Times* was not demonstrably superior and the people did not buy it and therefore did not advertise in it.

Senator Everett: What circulation did it achieve?

Mr. Sherman: Around the 30,000 mark.

Senator Everett: What is yours?

Mr. Sherman: We were around about 120,000.

Senator Prowse: What was it, a different type of format?

Mr. Auger: We have nearly three or four hundred thousand. The two papers are nearly 300,000. They had to take readers away from one of them.

Senator Prowse: Did they use any give away process to get that circulation up to that? How did they get it up to 30,000 then?

They were able to get it to around that circulation without any real gimmickery.

Mr. Auger: I do not know how much was paid. They never had an audited circulation.

Senator McElman: Do you believe the format was a real factor in any reduction or lack of acceptance by readers of Vancouver?

Mr. Sherman: As an editorial man I would say one problem was the type of equipment they had.

Mr. Auger: It was very slow compared with ours. Their presses were very slow compared to ours.

I remember one celebrated occasion when the President of the United States and the Prime Minister of Canada were coming out to Vancouver for a ceremony. They were arriving in Vancouver around mid-day. Now, the

story the *Times* ran was written at 10 o'clock the night before. It took them that long to get their papers printed. And there is not a chance to put in any discussion for the reader that we were putting in.

You are missing all sorts of things that the other papers have.

Senator McElman: Aside from the equipment and the slowness of it, in the format itself there was no real exceptions, I take it, of the different presentation?

Mr. Auger: Well, the format itself was strikingly different.

Senator McElman: It was a full broad sheet?

Mr. Auger: Yes.

Senator McElman: Oh, I see. I am sorry. I understood it differently.

Mr. Fortier: The *Georgia Straight*, the so-called underground paper, came into existence some three or four years ago and it attained at its peak a circulation, we are told, of some 60,000 readers.

Do you feel, gentlemen, that the circulation which *The Georgia Straight* attained is an indication that you were not rendering to your Vancouver reading public all the services which you could have been expected to render?

Mr. Auger: Well, if you call pornography a service, I think the answer is "yes".

Mr. Fortier: Is that your statement, that the whole of the *Georgia Straight* is filled with pornography?

Mr. Auger: No, I did not say that.

Mr. Sherman: There is a certain varying interest that would attract particular people to look and see and to read the thing.

Senator McElman: You do not mean there are 60,000 pornographic fans in Vancouver?

Mr. Auger: I do not think there are 60,000 fans of any kind in Vancouver.

Mr. Fortier: I think I interrupted you there, Mr. Auger. You were starting to talk about pornography. Were you going to continue?

Mr. Auger: No.

Mr. Fortier: I was just getting excited.

Mr. Auger: You know how the tickets are selling for "Hair" and "Oh, Calcutta".

Mr. Fortier: You do not feel that the rise of *The Georgia Straight* or, I should say, the happening of *The Georgia Straight* is indicative of the fact that the *Province* and *Sun* were not doing everything that they were supposed to do or they could have been expected to do as a reading public in the Vancouver community?

Mr. Auger: No, nothing about it, seriously.

Mr. Fortier: Would you care to comment?

Mr. Sherman: I started to read it fairly regularly just to make sure that they were not doing things that we should be doing and I gave up reading it. I found nothing of any great significance in it.

Senator Prowse: That you were prepared to do.

Mr. Sherman: That we were prepared to do.

Mr. Fortier: What does give rise to a new paper, such as *The Georgia Straight*, in your opinion in a city like Vancouver?

I realize I could ask that question of publishers of newspapers in some five or six other cities in Canada. I think we would be interested in having your views. They are coming before this committee in March.

Mr. Sherman: Yes. I really do not know. I think one reason it stayed alive as long as it has done was police action that amounted more or less persecution at times and with the prevailing attitudes among many young people towards the police and law enforcement and the establishment, anything that tries to cater to their taste and then seems to be persecuted, arouses a fair amount of sympathy and lot of support.

Mr. Fortier: That argument would be valid after the fact of publication. My question is: Why did *The Georgia Straight* one day come into being before any persecution could be alleged? Why does it come into being in Canada in a city like Vancouver?

Mr. Sherman: I think you would have ask a sociologist, sir. I cannot answer that. It has happened in many American cities and obviously somebody thought that it worked there, we will try it here.

Mr. Fortier: As a publisher and editor in charge of a newspaper in a city in North America where it has happened, do you have any views?

Mr. Auger: I think it is a very common motivation for people to want to have a medium or a means, create a means of communication, whether there is a soapbox or a radio set, or a radio station, or a newspaper.

Newspapers of that character and size are bringing up every day. Somebody is motivated to start one.

Mr. Fortier: There were many lawsuits involving *The Georgia Straight* over the year.

Did the *Province* carry all references to all such lawsuits?

Mr. Auger: I don't remember any lawsuits but there were a couple of prosecutions for pornography, for publishing pornographic material. We did report the essentials of the court case in those cases.

I should also say we published editorials criticizing the city authorities for declining to grant them a business licence.

Mr. Fortier: That was on the distribution prohibition?

Mr. Auger: Yes. We thought that was wrong and we criticized that.

The Chairman: May I ask you: Your brief concludes on a very philosophical note and I think a very worth while note. I think you suggest trying to strive for several virtues, as I recall, one of which was an acceleration of the well-defined trend away from the trivial and routine.

would like to read a quotation which is from the October 1969 *Fortune* magazine. I am sure you are familiar with the report.

Mr. Auger: In the *New York Times*?

The Chairman: No. This was in *Fortune* and the title of which is "What is wrong with the news? It is not new enough?"

The subheading is: "Journalistic patterns developed for slower moving times are not now adequate to keep society in touch".

The quote I would like to ask about is this:

"Journalism has been almost silent about its own performance and its own problems. The pretense that it is an inno-

cent witness, a mere fly on an historic wall becomes less and less plausible as the role of the milieu expands."

I sense, Mr. Auger, from the contents of the last several pages of your brief that you would agree with that statement. Is that correct?

Mr. Sherman: I certainly would. I think the whole pattern is changing and it has to change. This is the point we are trying to make.

The Chairman: So you do agree with that statement?

Mr. Sherman: In a general sense.

The Chairman: You say that the press is showing, not as in the past, a tendency of confessing mistakes and correcting their problem. Do you think that is also the case?

Mr. Sherman: We certainly do. I see this in a number of other papers.

Mr. Auger: I think there has been more self-examination in the realm of press in the last couple of years than I can recall before.

Senator Everett: Mr. Auger, do you have anything to do with the physical operation of Pacific Press?

Mr. Auger: Well, I am a director.

Senator Everett: In management terms, I mean, as the publisher of the *Province*?

Mr. Auger: Yes.

Senator Everett: Would you be as concerned with it as you would be if the mechanical side of your newspaper was run by your own operation?

Mr. Auger: Yes.

Senator Everett: How do you share responsibility on that with the publisher of the *Sun*?

Mr. Auger: We have a general manager who is responsible for the operation of the physical aspects of the paper and he is in constant consultation with the publisher of the two papers in terms of providing the best service possible to the papers and we share with him the problems that he faces in doing the job.

Also, all our labour negotiations are on a joint basis by Pacific Press with all of the employees. We have eight unions, by the way,

and labour negotiation comes under the direction of the general manager of Pacific Press, but it is handled by a separate labour negotiation department.

Senator Everett: Is the general manager in this regard then responsible to the two publishers?

Mr. Auger: No, he is not. He is responsible to the Board of Directors of Pacific Press, but he realizes his role is in service to the two newspapers.

Senator Everett: You were talking earlier today of labour practices which add to the costs of operating newspapers.

Mr. Auger: Yes.

Senator Everett: Do you know of any such practices in Pacific Press?

Mr. Auger: Oh yes. We have them. We are limited to the extent to which we can adopt or bring in advancing technological and typesetting and newspaper handling and so on because of the union requirements on the number of men that are required to do a certain job. This is featherbedding or "make work for everybody", whatever you like to describe it.

The job can be done with less hands and some of the things we are literally forbidden to do at all because the union will not accept the idea.

Senator Everett: Can you give us some examples of what you are forbidden to do?

Mr. Auger: Tele-typesetting for the communication of news from Toronto or the Canadian Press, for example, comes over in a fashion that can be set right in type in our shop without having to be translated or manually set by a man after it arrives there.

We are forbidden to do that to the full extent that we could or what is available to us.

Senator Everett: This is not a case of providing jobs for those who are already there. This is a case of actually being prevented from bringing in a more efficient system. Is that correct?

Mr. Auger: They are using a more efficient system; efficient in terms of reduced manpower or greater speed, yes.

Senator Everett: In certain cases there is a certain freedom of formula. A company will

bring in a new system which will cause people to lose their functions.

Mr. Auger: Yes.

Senator Everett: Those people will be employed in another function. They are guaranteed their job until they retire or leave the country.

Mr. Auger: We have had unions in...

Senator Everett: You are not talking about that, though. You are talking about...

Mr. Auger: We have had unions accept that in some circumstances where we are offering retraining at no reduction in pay that would put a man into the kind of work in another department, and some of it has worked out quite satisfactory.

In other cases, in the adoption of this new technology, we have promised that there would be no reduction in pay—no reduction in work for them, I should say.

Senator Everett: There are two further cases, I gather, from what you say. One in which you cannot enjoy any reduction in labour content by bringing in new technology and another in which your agreement states that you are not permitted to bring in new technology.

Mr. Auger: That is right.

Senator Everett: Regardless.

Mr. Auger: They are one and the same. The agreement prevents you from bringing in...

Senator Everett: Why are they one and the same?

Mr. Auger: I am sorry. You described one and the reason is that the agreement will not permit that to be brought in, that tele-typesetting.

Senator Everett: That would mean that number of unions would go out and strike you brought that in?

Mr. Auger: Well, just one and the whole bunch are out. There would be only one union affected, but that closes the whole place.

Senator Everett: I can see another situation in which you could bring in technology but you could not lay anybody off. You could realize a saving.

Mr. Auger: Yes, we have done that. We have done that in some cases and that has been acceptable. The unions have accepted that. We would not lay anybody off. We would only let natural attrition reduce the manpower. We did that. The Southam Company has done that throughout many of its plants but the other case I described is where it is flatly the union will not agree to handle.

Senator Everett: In your judgment has that other case substantially increased *Pacific Press's* costs?

Mr. Auger: It has increased cost. It is only one factor in keeping our cost up, yes.

Senator Everett: Would it be a fairly substantial factor?

Mr. Auger: Well, not as substantial as a rise in the price of newsprint or anything like that as substantial as a 17 per cent pay scale increase, or something. No, but the wages of our men today may be \$50,000 a year. Fifty thousand dollars is substantial in there by itself.

Senator Everett: Thank you.

The Chairman: I am anxious to turn to the *Hamilton Spectator*. I think Mr. Fortier has more question for the *Province*.

Mr. Fortier: Yes. There is some flow of news from east to west. I have been reading recently of a slowdown at *Pacific Press*.

Could you tell us, Mr. Auger, what the nature of the labour problem is that there is in Vancouver now?

Mr. Auger: We started negotiating with our unions, five of our eight unions, for a contract that expired on October 31. We did not reach an acceptable agreement with those unions by October 31, so we carried on. After about a month of continual negotiations—and I might say we had something like 16 negotiating meetings—negotiating with this particular contract.

After a month of continuing to endeavour to come to an agreement, we were told directly by the union they were going to "either we better come to terms or else, and the other else" was a slowdown.

A paper that normally gets out at five o'clock in the morning did not get out until nine o'clock in the morning.

Mr. Fortier: There were some days where the newspaper has not been published, I believe.

Mr. Auger: There was one day where I believe part of the *Sun* did not get distributed—part of the *Sun's* total circulation did not get distributed. We did not miss a day but we certainly suffered many, many hours of delay.

Mr. Fortier: This "working to rule", I suppose, or "slowdown", is it still on at the moment?

Mr. Auger: No, it has stopped. This was in the first two weeks in December and we complained to the president of one of the international unions. We had to go to Washington, D.C. to settle the thing.

Mr. Fortier: You complained to Washington, D.C. about a slowdown in Vancouver?

Mr. Auger: Yes. The orders came back from Washington to that particular union to cut it out and it stopped.

Mr. Fortier: Do you know with whom you dealt? Do you recall with whom you dealt in Washington?

Mr. Auger: A man named like Fabricio.

Mr. Fortier: What was his position in the union?

Mr. Auger: President of the International Pressmen's Union.

Mr. Fortier: And since these instructions from Washington, you did not suffer any slowdown.

Mr. Auger: I must assume they were instructions. We must assume there were instructions.

Mr. Fortier: You knew where to go.

Mr. Auger: Well, we tried everything and that seemed to work.

Mr. Fortier: It worked effectively in the sense you have not had to suffer any...

Mr. Auger: As far as the press room slowdown is concerned it apparently worked. We had a slowdown in other areas but about mid-December they declared a moratorium on negotiations and suspended any further harassment or sabotage and we have been very good so far.

Mr. Fortier: So I guess you would have to say the unions do have "potential raw and unadulterated power."

Mr. Auger: Don't you ever doubt it.

Mr. Fortier: Pardon?

Mr. Auger: We have, I will tell you, eight unions. One of them consists of only four or five people and that union can fail to come to terms and can put a picket in front of our door and we are closed down.

Mr. Fortier: You alluded to this factor that...

Mr. Auger: Twelve hundred people are out of work and the whole community is without its newspaper. That is power.

Mr. Fortier: Unless the word comes from Washington.

Senator McElman: Did you in fact publish in your newspaper about having to go to Washington for a solution of the problem?

Mr. Auger: No. I didn't think...

Senator McElman: Why not?

Mr. Sherman: This was something that was being handled by the General Manager of Pacific Press. All the major news that happened during the slowdown were reported in the normal way by our labour reporter.

For whatever reason he thought best, the General Manager did not wish to announce this to the outside world. Presumably it was a matter of tactics, as far as he was concerned.

Senator McElman: Surely this would be hard news to the Canadian people.

Mr. Sherman: It is one thing to say that we have complained. It is another thing to say that this has worked. We do not know that there ever was a reply so we would be dealing in speculation, sir.

Senator McElman: Excuse me, but your publisher was not speculating. He stated a fact.

Mr. Fortier: He said he must assume there was a reply showing cause and effect.

Senator McElman: I am sorry. He did not say "he assumed". He said he did.

Mr. Auger: No, I am sorry. Mr. Fortier said there was a reply and I qualified and I said "we had to assume there was a reply".

The Chairman: I think this is correct.

Senator McElman: I am sorry. I did not mean to misinterpret.

Senator Prowse: I have a question.

The Chairman: Well, at this point I am very anxious to turn to the next witness, but if you feel it is of sufficient importance to ask it, please ask it.

Senator Prowse: No. It is about the price of newsprint.

The Chairman: I think we have dealt with that.

Thank you, gentlemen. I am going to call on the representatives from the *Hamilton Spectator*.

Thank you both.

The Chairman: At this time on my immediate right is Mr. T. E. Nichols, Vice President and Publisher of the *Hamilton Spectator*. On his right is Mr. Gordon Bullock, the Managing Editor of the *Hamilton Spectator*.

I would begin, Mr. Nichols, by apologizing to you for the fact we are running somewhat behind and I am sorry. It is certainly not a question of the last being least or the least being last.

Mr. T. E. Nichols, Vice President and Publisher, The Hamilton Spectator: Frankly Senator Davey, I am delighted. I realize how people feel here. I have been sitting with everybody else since ten o'clock this morning and while you might find a lot wrong with the *Hamilton Spectator*, I suggest we could send someone from Hamilton to give you a few tips on air conditioning. I would be delighted to do it.

I have no written prelude to my brief. I don't know how many people have read it. I will admit it is not the most fascinating document I have ever read but it gives the vital statistics of our situation where we are the only paper published in the City of Hamilton. We are in an area where we have 14 daily newspapers within 40 miles of us. Not all of them can be considered as competitive and frankly I don't take any of them very seriously. The Toronto papers, by their own admission, are the best in Canada, but even at that although we never put booby traps on the Queen Elizabeth, I rely on the high intelligence of the people of Hamilton to see that our circulation grows.

I think one of the most intelligent things ever heard stated about newspapers is "the press has no press". It was said by a Dane.

I don't want to add to the Niagara of platitudes about whether the press is doing a good job or a fair job, or whether a monopoly is a good thing or a terrible thing. I think by this time you must find it a bore and I don't want to make it any worse by these extraneous generalities.

Our paper in Hamilton relies for success I think almost overwhelmingly, on the local news we give to the people. I think the local news is most important. We run on an average through the year about 24 solid pages of editorial material a day. That is about 190 columns, which is about the equivalent of the *New York Times*. My editor and I figure that local is about 60 per cent of it. If you had any young Canadian lovelorn writers we would be happy to consider them.

The Chairman: Thank you.

Mr. Nichols: We have some good local ones. One of our strictest policies, one I have tried to enforce in the *Hamilton Spectator*, is that our news should be divorced completely from the editorial page, that is the opinion. Both the editor in charge of the editorial page and the managing editor report directly to me and the columnist who writes under his own name is given a good deal of latitude, but in so far as news is reported for the people of Hamilton, I want them to tell the people of Hamilton just what went on in City Hall or the courts or public meetings, and please try and leave prejudices out of it.

Now one of what I call the monstrous platitudes about the press is largely our fault. We have built up the idea that freedom of the press is some beautiful Magna Charta that lets us do anything we like. Of course that is rubbish. As a matter of fact the press really has no rights in the sense you can call rights legal rights. I don't know of any, Mr. Fortier. We can be kicked out of Parliament or the City Hall or any courts. We simply have the rights of any citizen to listen to a matter of public importance and report on it. Actually the key to the freedom of the press—and I think this is important—historically is that we should have no special licence to publish. In other words, if somebody eventually comes into Hamilton and pushes me out—I am getting a little on in years—and runs 97 pages of advertising and one of pornography (and what a lovely deal that would be) he has the right to do it.

The Chairman: Do you think that would be in Hamilton?

Mr. Nichols: They could try. I am just giving you a tip.

Another thing that has been spoken about is dissent. A newspaper is itself an organ of dissent. It is full of dissent. Most people complain there is too much dissent in it, too much criticism. Somebody talking about Alberta cattle—we would love to run stories on that...

Senator Hays: I will give you the information.

Mr. Nichols: It will cost you something! I remember some years ago—this bears on this so-called constructive news and people throwing bombs in mailboxes—it was quite a hot summer day and this book—I forget what it was, something about the Canadian Arctic or a coloured album of Canadian toadstools or something bloody awful. A young girl got the job—the older guys knew better—and she started off her review on this ponderous book "This book must be read to be appreciated".

You laugh. You must remember that the younger generation has some very wise thoughts. There is no sense publishing things in a newspaper that you know darned well are not going to be read. It is too bad when, for instance, something appears in our paper about some minor thing like the blowing of a \$2 million computer in Sir George Williams and we leave out some speech on the decline of morals in Vaudreuil by a member of the Liberal party. We would be quite happy to do it, but I don't think anybody would read it. We have to present papers that are going to be read otherwise there is no point.

Now of all the demonology about the press, the idea that the advertiser sometimes directs our news or influences us, or has some bearing over policies, that is without doubt the most idiotic. Can you imagine, for instance, the manager of the Royal Department Store in Burlington picking up the *Spectator* in the evening and saying to his wife "My dear, did you see what this idiot, this idiot Nichols has written..."

The Chairman: So far I can imagine!

Mr. Nichols: I am going to be kind to you.

"He says because of the magnificent job that is done by the Senate of Canada their salaries should be doubled and if at the age of 65 they survive their arduous job they should have a pension of \$50,000 a year. I will take out my advertising for a month." Well, he does it and

at the end of ten days when I meet the new manager of the Royal Department Store he may have an utterly different idea. He may have a brother in the Senate—we are all human!

Now, press council? I am all for it. God help the people who have to run it but I think probably it is a good idea.

Now have you got some things to ask me?

The Chairman: I am not sure! I think, Mr. Fortier, perhaps I could ask the first question.

Mr. Fortier: Yes, I wish you would.

The Chairman: You would agree then that you have a local newspaper monopoly in terms of coverage of the Hamilton area?

Mr. Nichols: The only newspaper published in the City of Hamilton.

The Chairman: So you say in an ad here "The newspaper that gives you Hamilton's undivided attention". Is that the slogan you use?

Mr. Nichols: That is to sell advertising.

The Chairman: You use it to sell advertising?

Mr. Nichols : Oh, sure.

The Chairman: The reason I bring this up is this is a full page spread which ran in a recent copy of *Marketing*, November 1969. The reason I am quoting it is that it reminded me a great deal of trouble I got into with something similar to this and I will quote it:

"See the *Hamiltonian*. He lives and works in Hamilton. Hamilton is not like other metropolitan cities. It has the highest average weekly income. Spend *Hamiltonians*. Spend. If you had his money you would spend too. Wealth, wealth, wealth. He is part of a billion dollar market. If he sees something he wants he buys it. If you have something to show him use the *Spectator*. Read, read, read. Ninety per cent of Hamilton reads the *Spectator*. This is known as penetration. Aren't you glad you know about Hamilton? The *Spectator*."

The reason I bring this up is I got into a great deal of trouble with a similar approach.

Senator Prowse: Does it say what colour?

Mr. Nichols: I admit it is pretty awful.

The Chairman: Well, I agree with you.

Mr. Nichols: I am glad you do. You are very reasonable fellow.

The Chairman: Well, Mr. Fortier?

Mr. Fortier: Mr. Nichols, by all accounts you have a very successful and very respected newspaper in Hamilton.

Mr. Nichols: It is successful. I don't know how much it is respected, but I am very glad you made that remark.

Mr. Fortier: It is respectable?

Mr. Nichols: Yes.

Mr. Fortier: And respected?

Mr. Nichols: I hope so.

Mr. Fortier: If you were publishing a new paper in Toronto how would you go about it? Would you publish the same sort of newspaper giving the local news content?

Mr. Nichols: Do you mean if I was competing—do you mean if I suddenly took over the *Telegram* or the *Star*, which is highly unlikely, would I run the same kind of paper I do in Hamilton? Yes, I would. I think probably would lead the field.

Mr. Fortier: You are not doing anything particular in Hamilton that you would not if you were publishing another newspaper in a community anywhere in Canada?

Mr. Nichols: No, I don't think so, Mr. Fortier. It is a highly hypothetical question. I don't want to say anything that is not flattering to my neighbours but I would be glad to see them disappear from our area. The Toronto papers really don't concentrate too much on local news. In many ways they are good papers, excellent columnists, and I think the *Globe and Mail* gives excellent Canadian coverage and I like things in both the *Telegram* and the *Star*, but the localness of the *Hamilton Spectator* is what I believe is the main purpose of a newspaper. I think it is the most important thing of all. It is a microcosm of life, of what goes on in the courts and councils and general marketplace. Its enforcement of law is immediately coherent to the average man. In effect the local news is the real thing he is most interested in. The further you get away the more abstract and complicated it becomes. So, quite frankly, I feel the duty of a newspaper like ourselves in the City of Hamilton is first of all to cover the city.

Mr. Fortier: Stress the local things?

Mr. Nichols: Exactly. It has worked. I will be frank—I am sure this is why we have been so successful. Now I don't think you mean that we have just done it because of that. That is my philosophy in publishing a newspaper.

Mr. Fortier: If you were aiming at a large market as in Montreal or in Toronto, are you saying that the accent on the local news would not be as pronounced?

Mr. Nichols: Well, I think, for instance, the *Montreal Star* is an example of a newspaper that gives a lot of local news. This is a little unfair. For instance, the *Toronto Globe and Mail* calls itself a national paper and in large part it is. I think it gives good coverage of Canada. The *Telegram* is a different type of paper and the *Star* is a different type of paper again. I would hate to say, although I read them every day, that the *Toronto Star* does not give the news of Toronto the way that *Montreal Star* does in Montreal. It doesn't cover Toronto the way we cover Hamilton.

Mr. Fortier: What I particularly retain from what you said is that given the City of Hamilton, relatively speaking a smaller city, your first concern is to inform your readers about what is going on in the locality?

Mr. Nichols: Yes, that is right. And more than that—the technique of writing. I have been in journalism for 40 years, except for five years in the navy in the war, and most of the years I have been a writer. I think even in our editorial writing when you are trying to develop some ideas you should give it the local tinge. I don't know whether I am putting it very well, but I am trying to stress that if the news becomes abstract people just won't read it. They have to have some real thing to tie to.

Mr. Fortier: You allude the editorial content. In so far as editorializing is concerned, would you also stress the local stories?

Mr. Nichols: Oh, yes, absolutely. They are the important things. We stress other things too but to wonder off into things about the British labour party—all of which are very important—to me is a waste of time. I don't think it is your first duty to the reader. We do editorialize locally very heavily. You can call this "a village pump paper" if you like and I would be very happy. I believe it is the duty to be people of Hamilton.

Mr. Fortier: With respect to news coverage and with respect to editorializing.

Mr. Nichols: Yes. Tremendous letters to the editor and if they spill over the editorial page we might run a whole page.

Mr. Fortier: I think this is the place to introduce, Mr. Nichols, the subject of a story which was published in the January issue of *Maclean's* magazine and which concerned something which occurred in the City of Hamilton. I think this is a natural place to do so... (in view)

Mr. Nichols: Yes; and I am glad you brought it up. I think this is the first time anything like this ever happened to me.

The Chairman: I would like to ask a question, but if you wish to say something before the question.

Mr. Nichols: If you don't mind I would. I would like to say something. I know it is terribly elementary and I don't need to stress that the privileges in this hearing are the same as in the House of Commons and anything said, implied, or any innuendoes can be published in newspapers and I have no recourse unless there is an inaccurate report of what I said. Is that correct?

The Chairman: That is absolutely correct.

Mr. Nichols: I would ask then—I have been very impressed by the fairness of these hearings—I would ask that you bear that in mind. I am not too worried about what the Toronto newspapers might do about it, but anything I say, you understand, will go into the public press. I don't like to start off this way. I haven't any qualm whatsoever if what you are going to ask me is what I expect. There is one other thing, if you don't mind. I knew nothing about the *Maclean's* article until I saw it. I knew nothing about it being brought up here until about five days ago. If what you are going to ask me is if we did not protest one of our men being excluded from a preliminary hearing—that is my baby.

Mr. Fortier: I will ask you the questions.

The Chairman: It might be useful at this point, if you would not object, Mr. Nichols, if in putting the question Mr. Fortier were to acquaint the other senators and others in the room with the facts.

Mr. Fortier: I shall be very brief. Let me please make my preliminary remarks in the form of questions to Mr. Nichols. The points

which were raised in this article, published in the January issue of *Maclean's* are of tremendous importance to this committee.

Please understand me that I am not at all interested—and when I say “I” that is the Papal “I”—the committee is not at all interested in the facts which led to the arrest of certain people in the City of Hamilton. That is of no concern to the committee. Furthermore, the way the trial or preliminary inquiry which followed was conducted is of similarly no concern to the committee. I want to make this very, very clear. The only concern which the committee has, because of its terms of reference, is with respect to certain allegations in that article which has to do with a reporter's relationship, should I say, with his publisher. It is only within this context that I would like to ask you some questions today.

Mr. Nichols: Yes. Excuse me, Senator Davey, in view of what this is, I quite understand that you are not interested in the actual procedure of the trial or the integrity of the court, which was the main challenge in that. Would it perhaps be in order, would you permit me to very briefly say why I didn't protest this...

The Chairman: Let him put the question.

Mr. Nichols: It is all right. It is pretty important.

Mr. Fortier: If you wish to make a general statement after I phrase the question I am sure the chairman will deal with that. Firstly, I would ask you this—I have been careful to write them down—you have had a reporter on your staff by the name of Mr. Brooks; is that correct?

Mr. Nichols: That is right. He is still on the staff.

Mr. Fortier: Mr. Stuart Brooks.

Mr. Nichols: That is right.

Mr. Fortier: How long has he been working with you?

Mr. Nichols: Four or five years.

Mr. Fortier: What was his assignment during December 1968 and the calendar year 1969? Did he have a particular assignment?

Mr. Nichols: Court reporter.

Mr. Fortier: With respect to this particular story which was filed, which was published in

Maclean's and which I understand you read...

Mr. Nichols: Yes, I have read it.

Mr. Fortier: Dr. Mr. Brooks at any time submit any news story to you or to his editor with respect to those facts which led to the arrest of certain people in the City of Hamilton?

Mr. Nichols: Yes, he did.

Mr. Fortier: Were those stories published in the *Hamilton Spectator*?

Mr. Bullock: Could I jump in there?

Mr. Nichols: Would you excuse me a minute? This is divided into two distinct areas... what I did; that I did not protest the exclusion of our reporter from the preliminary hearing.

Mr. Fortier: This was not my question at the moment.

Mr. Nichols: But apart from that you could see the short notice that I was given about this. I have hardly had time to go through the massive evidence in the McMurrich file. I am surprised that when Senator Davey, as I understand it, asked Mr. Brooks for a report on January 2 that I was not given the same chance to give a report myself.

Mr. Fortier: I think Senator Davey could comment on that.

The Chairman: I received a telephone call here in Ottawa which was purported to be from Mr. Brooks. The call came here in Ottawa and marked from Mr. Brooks. I returned the telephone call. I had told *Maclean's*. I had not read the article. I did not know the name Brooks at all. From Toronto I returned the call to Mr. Brooks and he said that he had not placed the call to me and he said “I don't know who did, but anyway I am sure that is what it is about.” Then he proceeded to talk about the incident, pursuant to which I read the article in *Maclean's*. Then when we returned here after Christmas at a meeting of our committee, it was agreed that this would be a matter which you would expect to be questioned on, particularly given the public exposure of this entire matter in the January issue of *Maclean's* in an article. We felt this was something you would expect to be asked questions on and then we subsequently decided it might be useful to have Mr. Brooks on hand on this particular day in case there were questions we wanted

ask him. It was at that point I felt I should inform you of that invitation, which I did.

Mr. Nichols: The only question I have is: Did you ask him for a report?

The Chairman: No.

Mr. Nichols: You didn't?

The Chairman: No. By "a report" what do you mean?

Mr. Nichols: Did you ask Mr. Brooks to give you a report of this case?

The Chairman: I am sorry.

Mr. Nichols: January 2.

The Chairman: Yes. I misunderstood the word "report". No. I said to Mr. Brooks, I informed Mr. Brooks that I was sorry I was not familiar with the thing; that I had not read the article in *Maclean's*; that I would make a point of reading the article in *Maclean's* and it would be useful to send a letter, which he did.

Mr. Nichols: Yes. The reason I had to bring this point up at this stage is this is what you want to know about news that did not appear. Mr. Brooks knows all about it. I haven't had time to read the massive pile of evidence in the McMurrich case. I hope you all are asking about this other. That is important.

Mr. Fortier: Yes.

Mr. Nichols: Will you give me the question? I have forgotten.

Mr. Fortier: My question was: Did Mr. Brooks submit any news story on—what do you call it?

Mr. Nichols: The McMurrich case.

Mr. Fortier: Did he submit any story to you as his editor-in-chief?

Mr. Bullock: Not to my knowledge directly. Indirectly it came to me, yes.

Mr. Fortier: At what time? At what point in time?

Mr. Bullock: Approximately, I am only guessing now, March 1969.

Mr. Fortier: And how many stories does he submit to the newspaper?

Mr. Bullock: On this particular—he submitted several stories.

Mr. Fortier: Were any of them published in the *Hamilton Spectator*?

Mr. Bullock: To the best of my knowledge some of them were.

Mr. Fortier: Do you have a breakdown of how many stories were submitted and how many published?

Mr. Bullock: No, I do not.

Mr. Fortier: You are saying that the *Maclean's* article—as you will recall, it is not the *Maclean's* article, it is the letter from Mr. Brooks of which you received a copy?

Mr. Bullock: No, I haven't received a copy.

Mr. Fortier: Did he not give you a copy, Mr. Nichols? Did you get a copy of Mr. Brooks' letter to Senator Davey?

Mr. Nichols: No. None of these things have taken place with my knowledge.

Mr. Fortier: My question stands on its own two feet. Did you refuse at any time to publish any news story?

Mr. Bullock: Yes.

Mr. Fortier: And why?

Mr. Bullock: On the advice of the papers lawyer.

Mr. Fortier: These were stories...

Mr. Bullock: A story. To the best of my knowledge one story.

Mr. Fortier: So you did on one occasion refuse to publish a story from Mr. Brooks on the advice of your solicitors?

Mr. Bullock: Right.

Mr. Fortier: And to the best of your recollection this only happened on one occasion; is that correct?

Mr. Bullock: We have only refused to publish one story regarding the McMurrich murder trial on one occasion prior to the trial on the advice of our solicitor. That is right.

Mr. Fortier: Did you ever editorialize on Mr. Brooks being prevented from attending the trial?

Mr. Nichols: No, we didn't. I will make this story very brief. On December 28, 1968, I think it was, in a dramatic and very ugly shooting incident in the mountain area a po-

liceman named *McMurrich* was shot and killed and another man also shot. Now I don't think the times are important. The *Spectator* had always up to that time taken a strong editorial stand opposing the publication of evidence at a preliminary trial on the grounds it could jeopardize a man's hearing before a higher court.

Now I think I am right, you can correct me if I am not, but at that time there was some ambiguity in the laws about a man being in a preliminary hearing and being refused the right to give the evidence, the story, to his paper. I think I am correct.

Mr. Fortier: I am listening.

Mr. Nichols: Anyway, we had always strongly opposed the publishing of evidence at a preliminary hearing. Now instinctively when I heard that our man was not being allowed in the court I telephoned John Robinette, who I consider one of the wisest advisers in the area of law that I know of in Canada. I said I was deeply concerned about it and in fact did he think that we might get a Supreme Court order forcing the lower provincial court to allow our man to go in. John Robinette said no, he didn't think it stood a chance.

In the meantime something had happened that makes decisions by a publisher very difficult. I think you will understand when I tell you very briefly the reason.

The case had aroused a great deal of emotion in Hamilton. We had right after started a public fund for the education of the children of the bereaved policeman *McMurrich*, partly because we have been and I am still utterly appalled at the indifference of the state to the fate, to what happens to the widow and the children of men who are killed in the line of duty. There are a lot of people who hate the police, a lot of people in Hamilton who hate the police. We did that and I thought that it had, in the light of what was going on, involved us emotionally in this case. More than that, we were being attacked bitterly over the radio by one of the defence counsel on the grounds that we were stirring up feeling against these men and being very over-good to the police.

Now I thought then and I know now that it was the counsel for the accused and not the Crown, that pressed for this in camera hearing.

Mr. Fortier: Well according to the *Maclean* article...

Mr. Nichols: I don't know what *Maclean* wrote and I am not interested. I believe that. In view of the fact that we had made a lot of noise about it and there are lots of voices in Hamilton I felt, and so did my editor *E. Gold*, who is very bitter about this and would like to appear before the committee, we believed that in light of our editorial stand on the evidence we should not press the case.

Now the trial went on before a higher court and the sentences of the men ranged from 14 to 11 and down. You know all about that. Even then though a good many people felt that we should have protested the leniency of the sentences. I felt in the light of our involvement it was not worth it and I was not sure that we were that lenient. These are things you have to decide.

I think of the primary duty of the press always in these cases so far as possible to protect the rights of the accused to a fair trial. I had a very uneasy feeling in the light of the emotional involvement to the *McMurrich* funeral and the attack on us, and Robinette's advice that it was just as well not to do anything about it. I did not. That was my stand. I would do it again. My conscience is absolutely clear.

Mr. Fortier: We are dealing on the one hand with the aspect of the publication of evidence at the preliminary inquiry. At that stage you have expressed your reserve even until the omnibus bill was passed in the fall of 1963 with respect to such publication in order not to prejudice the accused at a later date at the time of his trial. But are there not two issues? On the one hand the publication of evidence which transpires at the preliminary hearing. That is A. And B, there is the fact that the press was excluded from the preliminary hearing. I think these are two separate problems.

Mr. Nichols: Yes, they are.

Mr. Fortier: On the one hand you have expressed what your personal thoughts were and on the other hand I wonder if your reasoning was also valid for the actual exclusion of the press from the preliminary hearing. Did you feel that you could not in conscience comment editorially on that aspect of the case?

Mr. Nichols: You can comment on anything you like provided you are not in contempt.

overlooked saying something that you brought out. This very exclusion, this very banning of publication of evidence was in fact in the amendment to the Criminal Code which has passed recently. The Government did in fact amend the Criminal Code so that evidence at preliminary trial could not be published. The only time it can be published is if the accused was acquitted and a transcript of the evidence could be published for obvious reasons.

We had no status in this trial. We were just like members of the public and our position was there was absolutely no purpose to be achieved by making any kind of protest in the court itself.

Mr. Fortier: You said you had no status. As representative of your readers surely you did have status?

Mr. Bullock: This is the legal advice we received. You may take issue with it. It has happened since and again we were advised we had no status.

Mr. Fortier: Gentlemen, the legal advice you received I respect, and it is of no concern to me at the moment. I am asking you gentlemen the question as newspaper people, newspaper men. Did you feel that you could not have conscience comment editorially on the fact of the exclusion of your reporter from the preliminary hearing?

Mr. Nichols: I wish we could stick to that. That really is the key point. I was not going on about conscience. I said that in view of the emotional turmoil, in view of the fact that we were involved in it, in view of the fact that a great many people in Hamilton thought that we had jeopardized the right of the accused to a fair trial that I did not think we should add to the storm by attacking the court and the integrity of the court. Is that a logical answer?

Mr. Fortier: As a newspaper publisher?

Mr. Nichols: As a newspaper publisher, that was my decision. You don't need to talk about your conscience—I haven't any really left.

Mr. Fortier: Your conscience as a newspaper publisher?

Mr. Nichols: I have a conscience as a Canadian. This is the thing that has worried me and I don't like the way it is being done. I have no quarrel with Mr. Brooks. I trust him absolutely. I think he is an honest, honourable man. I think he did what he did because he

felt it. You will understand in the light of the fact I knew nothing of the article before it was published, and I knew nothing about this until Senator Davey wrote me a letter last week, that I haven't had time to go through all that.

Mr. Fortier: As the only daily newspaper published in Hamilton, did you not feel, giving the previous answers which you have given, did you not feel that you had a special responsibility to alert your reading public on what was happening?

Mr. Nichols: Well, it was in the paper that he was excluded; wasn't it?

Mr. Bullock: Yes.

Mr. Nichols: That was all published. That is why I am sorry it is still hot in here but I want to press this very strongly that my editorial position was me—I did it.

Mr. Bullock: In the news columns, stories published *ad nauseam* on the fact the press had been barred.

Mr. Fortier: Did you, Mr. Nichols, ask Mr. Brooks at one time, or did Mr. Brooks at one time write you a letter to the editor, so to speak, which was published?

Mr. Nichols: Yes, it was published. I knew he was agitated about it. He is Yorkshire—I don't know whether he is Wesleyan—he is a man who takes these things seriously. He wrote a letter to the editor which was published. Apart from that I had no contact with him about this or anything else.

Mr. Fortier: Did you discipline Mr. Brooks because of the publication of the article in *Maclean's* magazine?

Mr. Nichols: No, he is still with us.

The Chairman: May I make a point clear. It is on the question: Did I receive a report from him? First of all, I didn't receive a report. I requested and received a letter. The reason I did not—I must confess I was perplexed what to do about that letter in terms of yourself. The reason I did nothing is he stated in the letter "I have nothing to hide. I have told my city editor I am writing you."

Mr. Nichols: Senator Davey, perhaps you misread the motive. I know something about the Canadian postal services...

The Chairman: The point is that I hope you will appreciate that if it appears we are trying to throw a curve at you we are not.

Mr. Nichols: The curve has been thrown. This is the type of thing the press is often blamed for. You can't drop acid into a cup; you can't ask a man if he has stopped stealing. This has hurt us and I am glad you brought it up. I want the Senate to know exactly what happened and why I did it. As far as the non-editorial protest—whether it makes any sense to you—there it is.

The Chairman: You took the position as a publisher?

Mr. Nichols: As a publisher. I think the decision not to publish something is a very serious one. I am quite aware of that.

Mr. Fortier: I think you should thank the committee for the opportunity of commenting.

Mr. Nichols: Commenting on what?

Mr. Fortier: As you did in answer.

Mr. Nichols: That I should thank the committee... I am overwhelmed with gratitude.

The Chairman: Let it be known that the request did not come from the Chair.

Mr. Fortier: Is Mr. Brooks still on the same assignment for the *Hamilton Spectator*?

Mr. Nichols: No.

Mr. Fortier: He is not assigned to the court run any more?

Mr. Nichols: No.

Mr. Fortier: When was he removed?

Mr. Nichols: About two weeks ago.

Mr. Fortier: Where does his responsibility lie now?

Mr. Nichols: General news assignments. Do you take any inferences from that? Are you implying any inference? Do you want me—or Gordon—to say why he was put on general assignment?

The Chairman: If you wish.

Mr. Nichols: Do you think it is advisable?

The Chairman: Excuse me, please. If the Chair may make some direction, Mr. Fortier is not a witness and I don't think you should put him in a position of asking him his view. If you want to amplify anything we will be delighted, but if you don't that is all right.

Mr. Nichols: I realize, although I have watched lawyers all my life I am not a strict legal procedurist.

Mr. Fortier: There is no strict legal procedure here. Please feel as the chairman said.

Mr. Nichols: I will drop it.

The Chairman: Do you have any further questions on this, Mr. Fortier, or other matters, before I turn to the other senators?

Mr. Fortier: Not for the time being, Mr. Chairman, no.

The Chairman: Is this a supplementary Senator Prowse?

Senator Prowse: Yes. Mr. Nichols, did I understand you to say that when the court was ordered closed and the reporter excluded that you then telephoned Mr. Robinette and asked him first whether the court had the power to do that and his answer was it did and secondly, you asked him whether you could take action in court to have the court order to admit and his answer was you didn't stand a snowball's chance in hell...

Mr. Nichols: Not quite that.

Senator Prowse: Could you tell us the sequence?

Mr. Nichols: He told me in effect—this is hearsay and I don't want to say exactly—but my inference from what Mr. Robinette said was "You stand no chance whatever of getting into that court". He said "In my opinion you have no right and I don't think you would have a chance of getting a Supreme Court order to force a lower court".

Senator Prowse: That is what your lawyer told you?

Mr. Nichols: Yes. I could not get anywhere if I tried.

Senator Prowse: I am not sure that anybody can answer this, but perhaps somebody can if they happen to be called. Am I right in my understanding that the order for the exclusion came as a result of a request for the exclusion by the accused, the lawyer for the accused, which was concurred in and agreed to by the prosecution?

Mr. Nichols: That is correct.

Senator Prowse: Agreement of the lawyer in the court?

Mr. Nichols: That is my understanding. I have talked with the counsel for the accused and he confirmed that was the case in fact. They were very anxious, for reasons which

eed not be brought up here, that it be held a camera. Later, for instance, they came to agreement to reduce the charge from capital murder to manslaughter. Under our laws you must identify the killer and prove premeditation.

Senator Prowse: Well, this gets into the technical end of it. I am dealing with this end of it.

The Chairman: Are there other questions on this or other matters that the senators have? Senator McElman?

Senator McElman: Is it not a fact that the Crown initially suggested to the defence baristers that they do ask this? Did it not initiate in the Crown counsel? Is that not the case?

Mr. Bullock: I don't think it would be true to say they initiated it. They certainly concurred wholeheartedly with the suggestion.

Senator McElman: Why was Mr. Brooks transferred from court reporting to general news?

Mr. Bullock: Basically after this rather emotional period involving this case and the subsequent article in *Maclean's* magazine it was felt Mr. Brooks would be better off to take a break—certainly not necessarily a permanent one—away from the courts; for reasons which I don't particularly want to get into as it involves personalities. Really it would just do him good to get away from the scene he had become very personally involved in emotionally. It was not the first time that we had encountered this emotional involvement. Incidentally, it was on the very highest principles and I don't criticize him for this. After four years on the courts we felt that perhaps he should get away from it for a while and he would have a different viewpoint when he went back after covering, for instance, general news.

Senator McElman: Well, let the record be clear that there was no intent of discipline involved.

Mr. Bullock: As a matter of fact he got a good salary increase in January which is hardly the way to discipline anybody.

Senator McElman: I am saying for the record there was no intent of discipline in the transfer from one to another.

Mr. Bullock: No, not discipline.

The Chairman: Are there any other questions? If not does Mr. Fortier have one?

Mr. Fortier: This is on another point.

The Chairman: All right. It is late, Mr. Fortier, but all right.

Mr. Fortier: Mr. Nichols, on page 12 of your brief you say under the heading "Staff Training" that you have already specialists in medicine, labour, business, conservation planning, and the rest; which impresses me no end. What are the qualifications of the specialists in these highly specialized areas?

Mr. Nichols: Well, they can be specialized in several different ways. For instance, our original medical man, who was succeeded by another, was a good example of it. He was interested in medicine and won a Southam scholarship and took a year in a Toronto hospital. Labour—because it is a labour town we pick about the best people we can find. Some of our labour reporters have gone right to the top. This does not mean necessarily that they are people who have been sent to universities, but they are adequate and intelligent people who understand things like town planning and conservation.

It is a good question, but that is about the only way I can answer it. We send them to seminars, we send them and pay for night classes at universities. We are working on this all the time.

Mr. Fortier: You try and educate the reporter who may come to you and say "I would like to do some work on labour"?

Mr. Nichols: Definitely, indeed we do. That is very important, because a man who likes it is usually very good at it. We are very happy with our staff.

Mr. Fortier: You have as an appendix to your brief, page 3A, what you call "Weekly Salary Ranges" and I feel compelled to ask you, after having looked at these figures, how you keep the good men, the good educated men that you have just alluded to, at these salaries?

Mr. Nichols: Actually at this moment I think I am quite correct that the base rate for what we call five-year reporters is the highest in Canada, higher than Toronto at this minute. Now when you get up into special writers, they are not in this thing, I don't think.

Mr. Fortier: We were astounded.

Mr. Nichols: I better get that one cleared up. Where is it?

Mr. Fortier: This is page 3A of the brief.

Mr. Nichols: Reporters from \$185 to \$223. That is the base rate, that is the minimum. That has nothing to do with specialists.

Mr. Fortier: I think you should tell us that.

The Chairman: I think he just has.

Mr. Nichols: Would you want our others? We work on the principle of a five-year reporter who has been with us five years, his minimum salary. I don't know anybody any higher.

Mr. Fortier: The highest salary paid a reporter at the *Hamilton Spectator*, as I see on page 3B, is \$11,054.

Mr. Bullock: That would be for what you might call a senior reporter, not for the specialists.

Mr. Fortier: Where would you fit the specialists in this scale, sir? I am reading from your brief.

Mr. Nichols: I am sorry about it but you don't hold these people who can write unless you pay them.

Mr. Fortier: Some of our advisers were astounded when they saw these figures. That is why I am asking the question.

Mr. Bullock: If I may make a point, we have a specialist on the paper at the moment who we hired from another larger metropolitan city for more money than she was making in that city as a specialist.

Mr. Fortier: Are you saying this appendix here, pages 3A and 3B, dealing with salary scales, is not complete?

Mr. Bullock: Oh, no. These are scales, these are minimum.

Mr. Fortier: I am sorry. I read here the word "high"—reporter with five years service or experience high \$11,054.

Mr. Nichols: That is a senior reporter.

Mr. Fortier: This scale on this page I do not see any reference to what you call your specialists? Could you supply us with this supplementary information?

Mr. Nichols: Sure. We will give you whatever you like.

Mr. Fortier: It would be useful if you could. We were proceeding on the obviously wrong assumption that this was representative of all of your employees, which it is not.

Mr. Nichols: No.

Mr. Fortier: Will you please send in a detailed statement?

Mr. Nichols: Yes. You couldn't be righter. You couldn't hold them, that is all. We haven't lost anyone to another newspaper for two years, which I think is pretty good. No one editorial person to another newspaper in two years.

Mr. Fortier: I wondered how you were doing it.

Mr. Nichols: Well, Hamilton is such a nice town I suppose.

The Chairman: Mr. Nichols, I would like to thank you on behalf of the committee. I feel that your opening remarks were good for our perspective and I think the balance of your remarks were particularly frank and direct and we are grateful for that fact. All in all I think it has been a very useful day.

Perhaps to you, Mr. Balfour, I could express our appreciation to all the gentlemen who have been here today. I might say that from the committee's inception Southam Press Limited has been very co-operative and we have appreciated your co-operation.

I would point out to the honourable senators that the next session is a private one at 140 Wellington Street at 8.15 p.m. The next public session is at 2.30 tomorrow afternoon in this room, the *Montreal Star*. We are all meeting tomorrow night.

Senator Prowse: Could you stretch the 8.30?

The Chairman: Yes, 8.30 p.m.

The committee adjourned.



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 14

WEDNESDAY, JANUARY 28, 1970

WITNESSES:

The Montreal Star: Mr. Derek A. Price, President, The Montreal Star (1968) Limited; Mr. Frank B. Walker, Editor-in-Chief, The Montreal Star; Mr. David Ferguson, President, Infocor Company Limited.

The Honourable Senator Allister Grosart.

Mr. Earle J. Beattie, Professor of Journalism, University of Western Ontario.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien	Hays	Phillips (<i>Prince</i>)
Belisle	Langlois	Prowse
Bourque	MacDonald (<i>Cape Breton</i>)	Smith
Davey	McElman	Sparrow
Everett	Petten	Willis

(15 Members)
Quorum 5

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday,
December 18th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith;

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday,
December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois.

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Robert Fortier
Clerk of the Senate.

MINUTES OF PROCEEDINGS

WEDNESDAY, January 28, 1970.

(14)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 2.30 p.m.

Present: The Honourable Senators: Davey, (*Chairman*); Beaubien, Everett, Hays, McElman, Petten, Prowse, Smith and Sparrow. (9)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. Derek A. Price, President, The Montreal Star (1968) Limited;

Mr. Frank B. Walker, Editor-in-Chief, The Montreal Star;

Mr. David Ferguson, President, Infocor Company Limited.

At 5.05 p.m. the Committee adjourned to 8.00 p.m.

At 8.00 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (*Chairman*); Hays, Macdonald (*Cape Breton*), McElman, Petten, Prowse and Sparrow. (7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant.

The following witnesses were heard:

The Honourable Allister Grosart;

Mr. Earle J. Beattie, Professor of Journalism, The University of Western Ontario.

At 10.30 p.m. the Committee adjourned to Thursday, January 29, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard,
Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA EVIDENCE

Ottawa, Wednesday, January 28, 1970

The Special Senate Committee on Mass Media met this day at 2.30 p.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable senators, if I might call the meeting to order. May I begin by making a very brief announcement? I would like to read a self-explanatory telegram from Mr. John Mooney of The Just Society Movement:

"We will be unable to attend on the 29th. Perhaps some future date might be arranged. John Mooney, Just Society Movement."

Perhaps I could then usefully outline the schedule for the balance of the week. Tonight at eight o'clock Senator Grosart, and at nine o'clock Earle J. Beattie, Professor of Journalism, University of Western Ontario.

Tomorrow morning at 10 a.m. the Canadian Society of Professional Journalists. At four o'clock tomorrow afternoon Mr. Donald Cameron, *The Mysterious East*.

Now the staff has attempted to move *The Mysterious East* presentation up to two-thirty to replace the Just Society who are now cancelled. However, *The Mysterious East* cannot be moved because of transportation schedules, and they have asked if we would mind meeting at four o'clock as arranged.

Tomorrow we will meet at ten o'clock and again at four o'clock. Tomorrow morning following the presentation of the Canadian Society of Professional Journalists we would like to meet in camera in this room for ten minutes, no longer than ten minutes, just before we break for lunch.

As you realize on Friday morning at 10 a.m. there is a brief from the *Toronto Star*.

This afternoon we are receiving the brief from *The Montreal Star*. Appearing on behalf of *The Montreal Star* on my immediate right is Mr. Derek Price, President. On my immediate left is Mr. Frank P. Walker, Editor-in-

Chief, *The Montreal Star*. On Mr. Price's immediate left is Mr. David Ferguson, the President of Infocor Limited.

As you know, Mr. Price, the brief which you prepared was received three weeks in advance as we requested and has been circulated to the senators and presumably studied by them, and we now turn to you for an oral presentation which could take as much as fifteen minutes. You are free to explain or amplify the brief or say anything else that might be on your mind. Following that presentation there will be oral questioning by the senators who will be free to question you on the contents of your brief or the contents of other remarks you may wish to make.

Mr. Price, if you feel that any of the questions should be farmed out to Mr. Walker or Mr. Ferguson, please indicate.

Mr. Derek A. Price, President, The Montreal Star: Thank you, Senator Davey. I have a few comments that I would like to make before the question period. I would like first, perhaps to explain Infocor Limited, which is a company established by the owners of *The Montreal Star* to be responsible for the corporate planning and development of *The Montreal Star*.

Senator Davey, as you know, this is not our first meeting with the Committee. There was a visit by you to Montreal last summer at which time you met with some of our senior executives and toured our plant. Since then we have had several meetings with various meetings of the Committee as well as with your staff and your consultants.

The Montreal Star has taken the position of sympathetic support and encouragement of the work of this Committee. Although from time to time we have had difficulty answering certain of the technical questions regarding past operations, we have attempted to provide you with as much reliable information as we could develop.

We forwarded our written submission some weeks ago. As we say in that document, we admit that we have no clear answers about

the important matters which you are studying. We can only tell you what we strive to do, but the final judges of what we do must be our readers.

In this submission we have not been able to comment upon certain of the specific questions listed in the guidelines provided by your Committee. We have not attempted to do so because in many cases we found them either too general or too specific; on the one side capable of a real answer only in a philosophic essay and on the other with a peremptory yes or no. Neither form achieves what form we assume you are seeking to achieve.

We can, however, give you a broad glimpse of the ideas and practices of *The Montreal Star*, an English-language newspaper published in Montreal with the bulk of its circulation on that island.

We have chosen to do so in the form of a brief essay, in the hope that those who choose to read it will be able to detect what animates the owners of this paper and their editors in their selection and presentation of the contents of the paper.

I could this afternoon, if you should wish it, read this essay to you; however, as you have stated, Mr. Chairman, you have had the brief for some time. I do think that this will probably not be a good use of the limited time which is available to us this afternoon.

We would, of course, welcome any questions which you might have regarding the submissions which we have made.

In this brief we set out what we wish to say to the Committee. We have attempted to describe the essence of our craft, its ideals and its limitations, and to indicate the pride which we have in our operation, while at the same time acknowledging with as much candour as possible the gap between our goals and our actual performance.

Realizing that we have not answered some of the specific questions of the Committee we prepared supplementary material which comments briefly upon each of the questions in order to provide you with at least some indication of our opinions and attitudes prior to our formal meeting this afternoon.

Again, I could read these partial answers, but I think you have already seen them.

As a sideline we have brought with us this afternoon copies of the front page of *The Montreal Star* which illustrate the manner in which we have handled certain news stories and events. We also have copies of our front pages of last week so that you can see how we have handled a not unusual week.

If you are interested in discussing this material or in the attitudes upon which these editorial decisions have been based, we are here this afternoon to answer these questions at least to the best of our ability.

In your letter of invitation of October 15 you indicated that you were particularly interested in the overall aspects of our corporate operations, including all our media interests. If I may, before proceeding with the questions, Mr. Chairman, I would like to briefly describe these interests to the Committee.

The Montreal Star was purchased in 1935 by Mr. J.W. McConnell and is now owned by a family trust, created for the descendants of Mr. McConnell. This family also owns the Montreal Standard Publishing Company which publishes *Weekend Magazine*, and operates a large rotogravure printing plant in suburban Montreal.

The Montreal Standard Publishing Company has a fifty per cent interest in Magna Media Ltd., a sales company established jointly with Southstar Publishers Limited, and a thirty per cent interest in *Perspectives*. The operation of The Montreal Standard Publishing Company is entirely separate from the operation of *The Montreal Star* and they, as you know, have prepared a submission to the Committee and will appear before it on March 3rd.

The owners of *The Montreal Star* also own Canadawide Feature Service Limited, which acts as a sales agent for *The Montreal Star* and certain other sources of editorial material and features.

At the present time we publish only a daily newspaper appearing six days a week, but for many years (ninety-nine to be exact; 1869-1968) we published *The Family Herald*, a national farm magazine. *The Star* also owns the *Herald*, a daily morning newspaper in Montreal which ceased publication in 1955.

Over the years we have had minor interests in other companies but none of these have been significant and, at the present time, we have no other interest in this industry other than those referred to.

I think, Mr. Chairman, that is really all wanted to say.

The Chairman: Thank you, Mr. Price. Have the front pages in question been distributed to the senators? It might be useful, Mr. Speers, if we could see them. Thank you very much. I think, Mr. Price, that we will begin the questioning this afternoon with Senator Everett.

Senator Everett: Mr. Price, in your extremely articulate essay on page 3, item 6, you state in about the last sentence:

"We must seek and publish at least what we believe to be a version of it without fear and without favour; though here again there would always be some fear and indeed some favour."

I can understand the fear but I wonder if you would define the favour that is involved.

Mr. Price: I don't think necessarily there are favours involved. I think we are really saying at times this might happen unconsciously and not that I can recall.

Mr. Frank P. Walker, Editor-in-Chief, The Montreal Star: I think what was meant there and what was a fair conclusion from what was said is, you obviously have likes and dislikes. You have people that you like, things that you like, institutions that you like, and this is always reflected in some way, shape or form in what you do. It is not deliberate in some conspiratorial thing. It just is, and that is what we meant by that.

Mr. Price: If I could perhaps refer to question 8 in the questions we have, Senator Everett, I think we stated quite clearly that favour does not involve commercial considerations.

Senator Everett: I am sorry; I have difficulty hearing.

Mr. Price: We say in answer to question 8 that at no time did commercial considerations influence the contents of *The Montreal Star*.

Senator Everett: I think we appreciated that. It was just the fact the word "favour" was stated, and I think Mr. Walker has explained it.

Further down the page at item No. 7 you say:

"All viewpoints subject to the prejudices of those who direct them no matter how they may seek to submerge these prejudices in something close to objectivity."

It is plain through the essay that you try, as all newspapers appear to try, to achieve objectivity in their reporting.

You go on, and in item 9 say:

"On *The Montreal Star* this has meant, as we have stated in the past occasions, a shifting of emphasis from the so-called hard news to news qualified by interpretation..."

The issue of interpretive reporting is brought up in the Southam brief yesterday, and I would like to hear from you where does interpretive reporting stop and lack of objectivity begin?

Mr. Walker: I wish we knew. I would say that hard news in the traditional sense of it, as I was brought up to understand it, was often much more subject to misuse and mishandling than news qualified by interpretation where you explain the background, fill in details which are not present in the actual occasion or the speech or the event that you are covering. More and more the news requires that it be treated not as a simple "Who, when, what, or why" kind of performance but as a total picture.

I think the extreme case of what I am talking about would be the McCarthy performance in the States where hard news gave McCarthy a free run where interpretive news would have spiked him to the wall very quickly.

I think this would be the difference and the most obvious difference I can think of.

In most journalism, most newspapers, certainly ours, we try very hard to fill in the details to flesh out the story; create a rounded thing and not just either a skeleton or partial picture of the event. That is where interpretation comes in. That is where you can lose a lot of objectivity. Then you are calling in an extra quality of a man, an extra judgment. You have to watch the men you use; that is all.

Senator Everett: If that is so, then, in order to make the newspaper an articulate voice this would tend to suggest that the publisher and the editor exercise a far greater control over what the individual reporter writes than they may have in the past; is that correct?

Mr. Walker: No; I would say probably less control because the reporters are looser and their terms of reference are broader than they used to be. In point of fact, the control which used to be very direct in the old days is now much more fluid thing. I would think it has worked in exactly the opposite way.

Senator Everett: So the interpretation tends to be the reporter's own interpretation?

Mr. Walker: Yes, and should be.

Senator Everett: And should be?

Mr. Walker: Yes; he is there.

Senator Everett: Would it not be necessary for the owners and editors of the newspaper to be more watchful where there is interpretive reporting than they would have to be where there is objective reporting?

Mr. Walker: No. I would think it would depend then more on the kind of staff you have. You would go out to pick your staff on the new basis. It is a better-quality staff than it used to be. It is better-educated staff and the watching takes place at the hiring level; not later on in the production level.

The Chairman: I have two things I would like to add about that if I might. When Mr. Malone of FP was here he referred in his brief and spoke in his oral question—it is his phrase not mine—of “permissive reporting.” Is this what you are talking about? I must concede it was his words.

Mr. Walker: I really don't know what it means. We call it interpretive reporting by which a reporter is entitled to and allowed to and encouraged to go beyond the bare bones of his event. Now what “permissive” means in child-raising is one thing. I don't know whether it is the same in newspapers.

The Chairman: Arising out of Senator Everett's question, he referred to paragraph 7, the last two lines:

“All our viewpoints, subject to the prejudices of those who direct them, no matter how we may seek to submerge these prejudices, is something close to objectivity.”

You have a great deal to do with direction at *The Montreal Star*. What are your prejudices?

Mr. Walker: Oh, very broad on almost every issue, I think. After all, you don't stop being human because you become an editor. Part of the prejudice one has or should have as an editor-in-chief is the prejudice towards fairness, always getting as much into the paper as you can. My prejudices are not reflected in the news except in the sort of overall philosophy of the paper. I am interested in certain things and they do obviously get into the paper. I don't do the writing or the editing but it would be silly to say that one's views don't go through the paper. They do go through a paper.

The Chairman: I don't ask that question critically at all but it is not all the editors who have taken that position who have appeared before us.

Mr. Walker: Well, they may be more than human; I don't know.

Senator Prowse: Mr. Chairman, could I ask one supplementary question?

The Chairman: Yes, Senator Prowse.

Senator Prowse: You don't do the writing and you don't look at the copy but your view get into the paper. How?

Mr. Walker: Well, in the various editorial conferences: what we are going to do. Are we going to specialize in social projects? Are we going to work on the Canadian North? Are we going to do this or that? That is how the view gets in the paper, really.

Senator Prowse: Would I be correct assuming that what you are saying to us is your staff members under you, as a result of continual contact with you, get so you hope they understand what your thinking is and modify or mould their own thinking to some extent?

Mr. Walker: No, not their opinions at all.

Senator Prowse: Their attitude, perhaps?

Mr. Walker: No. The reverse works as well. They modify my attitude. But a great deal of our work in the paper in the last year has been on social problems, poverty problems. That would be my influence really, that I am interested in those areas. We work on them and so do a lot of our staff and editors.

Senator Prowse: You would be responsible for the general interest in the area and they would produce the detail?

Mr. Walker: They would do the work. I am just a thinker.

The Chairman: Senator Everett?

Senator Everett: In defining the actions of a good newspaper on page 5 you point out that *The Montreal Star* has undertaken many specific studies which it has published in separate pamphlet form. It has maintained bureaux in a wide range of world cities, where it doesn't have bureaux it has personal contact.

Mr. Walker: Yes.

Senator Everett: ...that its staff is allowed to travel extensively throughout Canada and abroad, and you leave the impression that these are some of the things that constitute a good community newspaper.

ad that *The Montreal Star* is just such a peer.

Now can the individual paper, if that is part of the definition of a good newspaper, do that? *The Montreal Star* does it but is this something that individual papers can do or is it rather a situation in which the individual newspapers for the most part do not have the resources to undertake and that this is an argument for chain or group ownership to give the individual newspapers an opportunity to partake in that sort of thing?

The Chairman: To whom are you putting the question?

Senator Everett: I will put it to either or both.

The Chairman: Mr. Price, perhaps I can turn to you.

Mr. Price: I can only talk for *The Montreal Star* on this but we can afford to do it and intend to do it and will continue to do it.

Senator Everett: I am accepting two facts. One, it is good management, good conscience; secondly, *The Montreal Star* is doing it but if that is part of the definition of a good newspaper what should other individual newspapers do? There are few of them that would have the resources to undertake that sort of endeavour. Does that mean that is a good argument for the chains owning individual newspapers so they could provide the services to the public?

Mr. Price: I cannot speak for other individual newspapers whether they could afford it; I don't know. As an independent newspaper we can continue to afford this and I think it is a necessity. I think Mr. Walker would agree. It is desirable in making a good newspaper.

As I say, the individual circumstances of each newspaper I couldn't really comment on.

The Chairman: Do you wish to add to it, Mr. Walker?

Mr. Walker: I think they could do more of it. There could be sharing arrangements. We have on occasion shared our copy with other papers and in turn have shared with us. I think if you really wanted to you probably could improve the batting average of most papers.

Senator Everett: Without putting them in a co position...

Mr. Walker: You would be limited but you could do more. I don't think there has ever been a question of not being able to do it if you work at it and tried.

Senator Everett: In your judgment do the chains do more for individual newspapers in this regard?

Mr. Walker: I can't speak for a chain. I have never worked for one of them; I have always liked to work for the independent paper. But I really don't know. I would hate to try.

The Chairman: I think Mr. Fortier has a supplementary question.

Mr. Fortier: On that point, from the competitive point of view, do you feel that *The Gazette* has become a better paper since it joined the Southam Chain?

Mr. Walker: I couldn't answer that question.

The Chairman: Now, Mr. Walker, I am sure you read *The Gazette* every morning and I am sure you have an opinion. You mean you won't express it?

Mr. Walker: Yes, I won't.

The Chairman: Mr. Price, would you care to answer the question?

Mr. Price: Well, perhaps we became a better newspaper as a result of them joining the chain.

The Chairman: Well, perhaps Senator Fortier...

Mr. Fortier: Yes, Mr. Davey!

The Chairman: It was bound to happen sooner or later!

Mr. Fortier: That is what I hope.

The Chairman: Senator Smith?

Senator Smith: I would be interested in asking Mr. Walker this question: why does he prefer to work for an independent newspaper rather than one of the chains?

Mr. Walker: We did answer that in our supplementary material. I think that is about the best answer I can give.

Senator Smith: What you are saying is, this is a personal matter with you?

Mr. Walker: Yes.

Senator Smith: It doesn't go any deeper than the material which we already have?

Mr. Walker: Yes. I really don't know about the chains—not having worked for them.

Senator Smith: I thought you might have a prejudice against chains for some reason or other that you had gathered from others employed on chains.

Mr. Walker: No.

Senator Smith: It would have been an interesting answer.

Mr. Walker: No.

Mr. Fortier: I think my question, Mr. Chairman, is justified by *The Montreal Star's* answer to question No. 2 where they say that...

The Chairman: May I say to the senators they have these answers in the black book; not in the brief.

Mr. Fortier: "Examples can perhaps be found where group ownership has led to improvements in newspapers". So it is on that basis I put the question. Your answer is: we have been forced to become a better newspaper or we in fact have become a better newspaper.

Mr. Price: I would like to think we were always in the process of becoming a newspaper even before the Southam chain.

The Chairman: Where are you quoting from?

Mr. Fortier: The bottom of page 2 in the question-and-answer document.

The Chairman: Senator Everett?

Senator Everett: I know we have gone over it earlier in your submission this afternoon but the Montreal Standard Publishing Company has what percentage of Weekend Limited, Perspectives Limited and Perspectives Dimanche?

Mr. Price: There is no Weekend Limited. *Weekend* is a publication published by The Montreal Standard Publishing Company and Montreal Standard owns, I would say, approximately 25 per cent of Perspectives Incorporated and the balance is owned by the French language newspapers and *Perspective Dimanche* is also a publication of Perspectives Incorporated.

Senator Everett: Of which you have...

Mr. Price: Twenty-five per cent.

Senator Everett: Roughly 25 per cent?

Mr. Price: I think it is about 23 per cent. I am sorry; I could supply that actual figure.

Senator Everett: What arrangement do you have on *Weekend* and *Perspectives* on the sharing of revenues?

Mr. Price: Senator Everett...

Senator Everett: If you don't want to answer the questions...

Mr. Price: It is not I don't want to answer them. We are appearing on March 7th and will be here at that time also and the whole question of the Montreal Standard Publishing Company will be covered at that time.

Senator Everett: I think that is fair. That is fine.

You will at that time deal with *Media*, *naMedia* and the printing arrangement of *The Canadian*?

Mr. Price: I would like to have the president of Montreal Standard at that time.

The Chairman: Mr. Price, I have had several notes and if you could speak louder they would be grateful.

Senator Everett: Through both your briefs Mr. Price, you deal with the issue that ownership of a newspaper or knowledge of the business or knowledge of the media business should not preclude those owners from moving into other fields that are similar where they would have expertise. I think we even accept the concept of cross-ownership in certain situations.

For example, on page 8 of your brief you say:

"We feel, furthermore, that the ownership of a paper should not preclude those safe owners from moving into other fields of information, that an arbitrary ruling based on a simplistic notion of monopoly, is not conducive to the greatest refinement of information. Those who show themselves responsible in the field should not be pushed aside in favour of those whose only qualification for ownership of the means of information is the availability to them of large sums of money. In a time of great technological change, one can be sure how information is being

laid at the door of those who have their right to it. We ask this Committee to consider that old rules and old prejudices should not prevent what we believe to be the best equipped groups from using every means which are available."

Then in your supplement to the brief at question 4:

"The major problem which we face is the threat we may be prohibited from full participation as new systems of information evolve in our community and technology alters roles and the functions of the traditional media."

Further down at question 6:

"We do not know how these developments will specifically affect us except that our future plans must allow for increased investment to take advantage of technological innovation."

In that context I want to investigate it with you for a moment. What is Infocor?

Mr. Price: Could I ask Mr. Ferguson?

The Chairman: Yes.

Mr. David Ferguson (President, Infocor Ltd): Infocor in a technical sense is a parallel company to *The Montreal Star*, the same shareholders; it is a sister company.

Senator Everett: It has the same shareholders as *The Montreal Star*?

Mr. Ferguson: Yes; a parallel company.

Senator Everett: That is not The Montreal Star (1968) Limited?

Mr. Price: Yes, it is. The Montreal Star (1968) Limited. It was created a little over two years ago to be responsible for the planning of *The Montreal Star* and for the development. They have undertaken a considerable amount of research into the trends in our own industry and others to try and peer into the future to get some glimmer of understanding as to the events that may be coming along. That essentially is the role of Infocor—planning and research organizations.

In other companies, in other corporate structures, it might have been set up as a corporate planning group within it.

Senator Everett: Was there any reason for setting it up as a separate corporation? Again you can refuse to answer that question.

Mr. Price: I would say that there is a specific reason for setting it up in this way. As I mentioned, we have other interests. The *Montreal Standard*, whose future is also dependent on some planning. They will provide services to other companies in a consulting type of role to allow the operators to operate the company while Infocor spends the time on research and planning to make that material available to them.

The Chairman: Infocor will provide to other companies?

Mr. Price: To our companies.

The Chairman: Not outside papers?

Mr. Price: No.

The Chairman: Not outside papers?

Mr. Price: No. As I said, it would be the equivalent to setting up a planning group in a corporate structure. Infocor would conduct that research and provide that service to our own interests.

Senator Everett: Would the excerpt I have read from your brief enunciate the principle or principles on which Infocor is operating?

Mr. Ferguson: Yes, I think so; but the brief and items that you read were specifically concerned with the comments and statements that one hears from time to time about multi-media ownership and the concerns that there are about the concentration of the voices, the channels of mass communication into the hands of a few companies.

Now we in our history have not participated; we haven't been multi-media owners.

When we have entered into ventures quite often they have been as with *Weekend*, cooperative ventures in participation with other publishers. We were essentially preoccupied, I suppose, with the creation of a daily newspaper and I think it is also fair to say that we shared, as we say in the same brief in the supplementary questions, we have shared the concern of people about the control over the channels of mass communication.

Our views as they evolved, and they have been evolving over the years, represent some change. First of all, we recognize as a corporation that we must compete with very formidable competitors who can take advantage of the economies that chain ownership provide or the economies and advantages that are derived from ownership of other media and

we are concerned perhaps about the competitive trends, the prospects, if we are limited to this narrow base. That is when one looks at the corporation and its future.

I think there are other factors however that are operating here. We are not today as concerned as we were about multi-media ownership or the concentration of media in a community. I think the evidence is becoming quite clear that technology both in our own industry and in the printing industry is making it possible for there to be many voices in the community.

I think the thriving local newspapers, usually weekly in this country, are an example of this and that there are now each year more voices rather than less, although as you know there have been no increases in the number of daily newspapers.

Further, we are struck by what electronic technology is going to do. We have been very limited in the broadcast spectrum with the number of channels of mass communication that have been available. We were rightly concerned about the ownership of these and concerned about concentration, but we are quickly approaching the day when we will have not one or two television stations but twelve—twenty-two—twenty-seven—fifty-four. Technicians will go much further—fifty-four channels. Today we can produce, we can deliver, I am told by engineers, twenty-seven channels of television through cable into the television set.

That seems to me to indicate we now have many more voices available. So that our concern about participating in more than one media has been too much of a concentration in our community. Really, it does not seem to hold if we are but one, let us say, electronic voice amongst twenty-seven. It would be a different situation than one out of two or one out of three.

I think beyond that we are interested in how the daily newspaper is evolving; how it is changing; how the media—the things that the daily newspaper used to do, that we used to do, are now being done some of them by other media and done better than we can do them.

As Mr. Walker was saying earlier our role is changing and the way we report is being changed and I think our interest in other media is the interest to participate in these other forms of communication, to participate in the evolution of these services which we provide.

Mr. Walker and I have talked about this some length, about the evolution of editor function and service to readers. Frank, can you repeat what we were talking about some weeks ago?

Mr. Walker: Yes. I think we feel, and think with justice, that the very thing we are doing with the reader as such, we should be allowed to do with the non-reader, because a very large segment of the population is not taking in its information visually and I would think if we were to do a whole job as a newspaper we would be doing both; we would be providing the printed material for those who ingest their information that way and doing the same type of job for the non-readers. I think we would be good at it, that should be good at it. After all, that is our job.

I find the tendency to say because you are dealing with the reading audience you should therefore be excluded from the non-reading audience to be nonsense and also bad for the free flow of information.

The Chairman: Senator Everett?

Senator Everett: Do you propose to confine these activities then to Montreal only to provide an adjunct to the service you are already providing?

Mr. Walker: From my point of view, I don't know the corporation's point of view, yes.

Mr. Ferguson: I think we should say (in the public knowledge) that we presented an application in association with *The Toronto Star* for a UHF television station in Toronto. Now we would not be interested in a UHF television station in Toronto ourselves as the owners of it. That is part of our philosophy here. Our criteria would be that we would join with and participate with others in the community.

Senator Everett: You might do this anywhere in Canada then?

Mr. Ferguson: Yes.

Senator Everett: To be specific we are talking about AM and FM radio and television either EHF or UHF or cablevision?

Mr. Price: Yes. If we thought we could bring a strength to a venture of that sort from our particular locale of being Montrealers or Quebecers it would help in the programming sense or content sense; yes, we would. As a co-operative type of thing rather than a sole ownership type of situation.

Senator Everett: Except in Montreal.

Mr. Price: Yes, very definitely.

Senator Everett: Do you mean anywhere in Quebec?

Mr. Price: Yes.

Mr. Ferguson: We would have partners in any venture.

Senator Everett: What I gather you were saying is that outside of a certain area, be it either Quebec or the City of Montreal, you would always be in partnership with other people. You would not want to be by policy sole owners?

Mr. Ferguson: Yes, we would prefer it.

Mr. Price: Within the community of Montreal we would be prepared to be sole owners but actually we would prefer to have partners...

The Chairman: Could you speak a little louder?

Mr. Price: Just different voices I think rather than to present one voice. Let us put it that way. You have different voices brought to the community.

The Chairman: Are you leaving that?

Senator Everett: No, Mr. Chairman. Is the application, which I assume is to the...

Mr. Ferguson: The Canadian Radio and Television Commission.

Senator Everett: In concert with *The Toronto Star*; is that the only formal move or application that you have made in Infocor to fulfill its principles? Again I am talking about a formal...

Mr. Price: Yes; formal presentation, it is. It is the only formal application to the CRTC for a licence.

The Chairman: When was the application made with *The Toronto Star* and what was the determination? Where is it at now?

Mr. Ferguson: Application was made in the spring. It was made earlier—over a year ago. The CRTC has not yet heard those applications.

The Chairman: So it is still pending?

Mr. Ferguson: That is right.

The Chairman: I have a question which I think would be unfair to ask.

Senator Prowse: Your statement that you feel that the other media could be combined with the newspaper in order to give more voices—is this philosophy based on your position in the Montreal area or as a general principle?

Mr. Price: We don't think it can be combined. We think it can be complemented. I think what Mr. Walker was saying is that the written word to some people is a means of learning and a visual presentation is to others. I think we feel that we perform the printed word and the written word with a sense of responsibility and we should be therefore allowed to extend the electronic media.

Senator Prowse: How many radio stations and TV stations are there in the Montreal area at the present time?

Mr. Price: We have many both English and French.

Mr. Ferguson: Eleven AM and nine FM radio stations; four television stations; six daily newspapers. This is an interesting kind of variety. We have seven English-language weeklies; fifteen French-language weeklies; thirty-three biweeklies—a total of fifty-five weekly newspapers.

Senator Prowse: So the fact that one particular editorial group, or one management group, owns not just one voice but, say, five or six voices really does not substantially change the overall competitive picture except perhaps to increase it in your situation?

Mr. Ferguson: I think what we are talking about, senator, is we don't want to own four television stations. We would like to have an extension of the newspaper in Montreal in the electronic field; to complement what we are doing in *The Montreal Star* as an extension of the editorial comments.

The Chairman: I would remind the senator that he is on a supplementary question.

Senator Prowse: I hope I am on a supplementary. The supplementary is this: whether the principle would still apply to an area which is common to many of the smaller communities where you have economical use of one station; you can have one newspaper, one TV station and maybe a subsidized government TV station in there, and one or two

radio stations. Would you feel in that area of very limited competition that your philosophy would be equally valid?

Mr. Ferguson: It would not be equally valid. It would be a different situation. The point I think that I was trying to make earlier is we must be careful of the future. We must watch what is coming. What the technology is doing is making means of communication, or channels of communication; it is modifying the channels of communication. We should not go into this future with attitudes that were based in conditions of scarcity.

Senator Prowse: In other words, when we get the thousand-channel TV...

Mr. Ferguson: Then I think we will want those who have a record of responsibility in mass communication. We will want, perhaps we will insist that they participate in these other media. My concern is that attitudes that we have been sympathetic to in the past must change or evolve with the very rapid changes that we think are probably going to come quickly in the future.

Senator Prowse: I gather you assume the impossibility, let alone the undesirability, but the impossibility of those whole thousand channels, for example, being in one person's control?

Mr. Ferguson: Well, physically I suppose they will be but surely we will have the wits to regulate the use of those channels.

Senator Prowse: This is the point you accept: the necessity of regulation in that area?

Mr. Ferguson: Oh, I think so.

Senator Prowse: Now the final question on the supplementary: if you accept the necessity of regulation in part of your operations, which will be the electronic media—I think this is a fait accompli now anyway—do you foresee any possible danger of that flowing back into the press end of it?

Mr. Ferguson: Well, I hope that the regulation will cover the allocation of those media, the technical standards within that media—the maintenance, the service, the way we regulate. I would hope that neither in that media nor any others would we see regulation with regard to what people want to say except the usual things we have...

Senator Prowse: The allocation, the Canadian content. That is fine.

The Chairman: You are not saying the should not be analysis of program content by a government agency, are you?

Mr. Ferguson: In the future that we were talking about with Senator Prowse I don't think Canadian content is going to be a factor.

The Chairman: I was not referring just to Canadian content. Let me put it in a more direct way: you don't quarrel with the role and function of the CRTC?

Mr. Ferguson: Not a bit.

The Chairman: Mr. Fortier, you have a supplementary question?

Mr. Fortier: Mr. Ferguson, insofar as you Montreal readers are concerned, or maybe should say your potential Montreal readers are concerned, what you are looking for in this way is protection for *The Montreal Star* setting up Infocor and giving the impetus which you have referred to.

Mr. Price: I think protection for the changing role of the newspaper.

Mr. Fortier: In view of the technological improvements and developments and so on?

Mr. Price: Yes.

Mr. Fortier: I think I am more concerned with Montreal proper. Have you considered ideally what vehicle of electronic media you would prefer to be interested in?

Mr. Price: I think it is a matter of record, of course, that we did—I don't know whether it is a matter of record here—but we did make a bid to buy Canadian Marconi Broadcasting Division. We were not successful. I think that we are really now assessing this. This was a preliminary move without all the amount of study done. I think in the intervening year probably our ideas are changing and not totally formulated yet.

Mr. Fortier: The very interesting situation may arise where you would continue to be *The Montreal Star* and you would service, I may use the word, the non-readers through the electronic media, try to communicate the same message. On the one hand your written medium would not be subject to any government agency and your electronic medium which would be delivering, if I understand Mr. Walker well earlier, which would be delivering the same message, would itself be subject...

Mr. Ferguson: Only the means would be subject; not the content.

Mr. Fortier: As the Chairman pointed out "and the content."

Mr. Price: In the sense of the Canadian content we are living in that community and I don't think it is a problem.

Mr. Ferguson: If you are talking about the same product, it would not be the same product. The Canadian content of *The Montreal Star* would certainly meet the CRTC regulations.

Mr. Fortier: It still is an interesting hypothesis.

The Chairman: Would the feature content of *The Montreal Star* meet the Canadian content regulations? Certainly the news content would. Would the contents of the comic strips meet the standards of the CRTC?

Mr. Walker: No, they would not.

The Chairman: I have commented several times, and I will comment again, on the flood of American syndicated material in Canadian day papers.

Senator Everett, it is your question.

Senator Everett: On the same question but leaving Montreal for a moment, I gather then from your actions in the Marconi situation that Infocor is prepared to purchase radio, television or cablevision properties if necessary or to join in the purchase of them?

Mr. Price: Yes.

Senator Everett: Anywhere in the country?

Mr. Price: No; it has not indicated that. CIEF is a Montreal company.

Senator Everett: To phrase that more precisely I am asking if that is the intention, part of the philosophy of Infocor would be to purchase broadcasting properties anywhere in the country.

Mr. Ferguson: I wonder, Senator Everett, if I might ask here—you are now asking questions about the corporate policy and we live in a competitive world, and I wonder if it would be possible to arrange for in-camera sessions with the Committee at which time we would be delighted to talk about corporate plans, aspirations and hopes. It seems not quite right to ask our long-term corporate plans in public.

Senator Everett: I don't think that is unreasonable but you will recall that I have not and the Committee has been careful not to ask you any information that would not be a matter of public record on the actual actions you have taken.

What we are concerned about is this change in philosophy that says not only do we have to protect ourselves in the City of Montreal but we may also expand in other directions. Now you can indeed answer that by saying "We have thought of nothing yet. It is all in the future."

The Chairman: In fairness, Senator Everett, if I may say, it could be they have and would not want to say something which is not in keeping with the truth. It has been the policy of the Committee since its inception that if any witness at any time would prefer to answer any question in camera we will accede to that request. I think in fairness, and I am sure you will agree to, Mr. Ferguson, if he would prefer to deal with that kind of question which I think does bear on future plans and I think the point is that could easily give information to competitors—if that is the feeling that you have.

Mr. Ferguson: I don't want to be unreasonable.

The Chairman: I don't think he is being unreasonable.

Senator Everett: I don't think I have got to the point yet. Do you feel that questions of corporate philosophy as opposed to corporate action should be in camera?

Mr. Ferguson: We will attempt to answer all the questions if I may draw back from time to time hesitating on it.

Senator Everett: The only two questions that I had were: it is part of your corporate philosophy to purchase broadcast properties. Is it part of your corporate philosophy to purchase newspapers in other areas than Montréal? I leave those questions open if you want to answer them later or if you want to answer them in camera.

Mr. Ferguson: In terms of philosophy we have made the point very strongly, particularly in the supplementary material, that we live and work in Montreal and we think this gives us particular strength—where the owners and managers are brought to account by their neighbours. This has been the philosophy of *The Montreal Star* and continues to be the philosophy of *The Montreal Star*.

We see the advantage of an independent operation locally owned. So in terms of philosophy we can say it as unequivocally today as we would have said it twenty-five years ago.

The Chairman: Does that satisfy you, Senator Everett?

Senator Everett: Well, it doesn't answer the question but I am prepared to leave it at that.

The Chairman: I was going to make a point, Mr. Ferguson. I agree with Senator Everett that you not answered the question as it was put. I am not going to insist that you do but perhaps we can discuss it privately with the Committee.

Mr. Ferguson: By all means.

Senator Everett: I am quite satisfied.

The Chairman: Do you have other questions?

Senator Everett: Yes. Is *The Montreal Star* unionized?

Mr. Price: Yes.

Senator Everett: Could you tell me what unions are involved?

Mr. Price: We have the International Typographers Union; we have the International Press...

The Chairman: I am sorry to say they can't hear you.

Mr. Price: The American Newspaper Guild, Stationary Engineers.

Mr. Ferguson: Copies of the union agreements were sent to the Committee.

Mr. Price: You have all our contracts.

Mr. Ferguson: We volunteered all our contracts to the research group with the complete details of our salaries and fringe benefits.

Mr. Price: Salaried employees in the editorial room are not unionized. All other people are unionized.

The Chairman: I think it is important to note that that information is not part of the public record. I think it should be understood that that is why Senator Everett put the question.

Senator Everett: That is fine.

Now question No. 6 on technological developments in your supplementary brief in the last sentence you say:

"We must take every opportunity to exploit technological improvements particularly in the production and distribution of our printed product and we must seek other ways of using other complementary communication techniques."

Dealing with the first part of that sentence have you been frustrated in any way by union action from taking every opportunity to exploit technological improvements?

Mr. Price: I would answer that very simply; that we have not been frustrated by it. I think we have been backwards in the past in technological innovation, bringing in technological equipment or changes; quite static for many years.

Senator Everett: Because of union?

Mr. Price: No, not because of unions, but we would say Infocor has been established. I look at the situation. I cannot really say unions have been responsible for stopping any development.

Senator Everett: You did a study on the underground press, I believe?

Mr. Price: I will direct that to Mr. Walker.

Mr. Walker: We subscribe to the underground press. I haven't particularly studied it.

The Chairman: *The Montreal Star* has now conducted a study specifically of the role and function of the underground press?

Mr. Walker: No.

Mr. Price: Are you asking about an editorial feature we might have done or research progress?

Senator Everett: It sounds to me like a specific project. It may well have been.

Mr. Price: No, we haven't.

Senator Everett: Can you tell us, Mr. Walker, why *Logos* has grown in Montreal? Is this a failure of the newspapers or is it something that is a phenomenon that newspapers just can't do anything about?

Mr. Walker: No. I think *Logos* is a different kind of instrument to the daily paper. It is doing a different job. I don't know that it is

own that much. It had a remarkably brilliant young editor called Paul Kirby and while there it was quite exciting, interesting; but they were not trying to do what we do. They certainly were meeting an obvious need because I am not sure of the figures but I am told around thirty thousand at one point. It may still be.

I found it an interesting newspaper or paper, or periodical, whatever you like to call it. It was more visual than it was written. It did go further in many respects than we do. Its language was more picturesque than ours but I did think that it fulfilled a need we didn't fulfill in the town, a need we couldn't fulfill.

Senator Everett: Are you attempting to fulfill it in any way? Is there any change in your reception? Have you been influenced by the *Igos* type of publication?

Mr. Walker: No, not really. I know Kirby very well; he is a friend. But, no, I would not think so.

Senator Everett: Have you become more swinging on *The Montreal Star*?

Mr. Walker: No, not really; pretty quiet, you know.

Senator Hays: Mr. Chairman, may I ask a question?

The Chairman: Yes, Senator Hays. I will just ask one first.

Is *Logos* out of business?

Mr. Walker: Well, it is less frequent.

The Chairman: It is still publishing?

Mr. Walker: That I am not sure of. There is a group in it. I haven't seen a copy for about a month, I guess, or six weeks. I think it is still in business.

The Chairman: Senator Hayes, you had a supplementary question? What was the supplementary question?

Senator Hays: Mr. Walker said it was a pretty conservative newspaper and they were not swinging, and that sort of thing. I have an idea here...

Mr. Walker: That is an editorial.

Senator Hays: An editorial rather, of those nude women and a man.

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Mr. Walker: That's not very swinging, is it?

Senator Hays: It looks pretty swinging to me, out in our country.

Mr. Walker: It is not swinging in Montreal. The gentleman has trousers on, you will notice that.

Senator Hays: What are you trying to put across? Polygamy, or something like that? Three to one?

Mr. Walker: No, just an illustration of an article. Rather interesting I thought. It certainly attracted attention. People seem to have even clipped it.

Senator Hays: What about this one; two nudes in the top and down below three nudes with fur hats, and the caption "Priest drums up teen business"... That may be pertaining to the bottom.

Mr. Walker: That is again part of the news section of the paper. If you want to use a word like "swinging" you might say so. I think it is pretty orthodox, pretty straightforward. If you go to the movies or almost anywhere these days, this stuff is pretty straightforward.

Senator Hays: What is it representative of?

Mr. Walker: An attitude, I imagine.

Senator Hays: What sort of an attitude? Try and define it a little bit.

Mr. Walker: I think we are talking about things or writing about things that ten years ago we would not have written about and we are illustrating them in ways that ten years ago we would not have done. It is part of the wind blowing through not only the press but through conversation, social attitudes.

Senator Beaubien: Behaviours?

Mr. Walker: Behaviour patterns. I think the section "Life Styles" is meant to reflect the style of life of at least a section of the population.

Senator Hays: What is the next step; where do we go from here?

Mr. Walker: I am not sure, senator. We don't have far to go.

The Chairman: I think Mr. Fortier has a supplementary question.

Mr. Fortier: Yes. I wondered if you could tell the Committee, Mr. Walker, how the new section has been received by the Montreal community.

Mr. Walker: Very well by the young, that general age group up to about thirty or thirty-five; and with less enthusiasm by those who are older. We hope that it is broad enough that it really is not just naked ladies, attractive as they may be. It deals very seriously with problems of contraception, drugs, family relationships, fashions. It really is what it is called, an attempt to explain, to discuss the style of life which is confronting us in 1970.

Mr. Fortier: Have you received many letters to the editor on the one hand critical of this new approach and on the other hand approving of it?

Mr. Walker: Yes. You get more critical letters on anything than you ever get letters of approval. We have had letters. There was one much fancier picture than the one Senator Hayes produced, a lady with a painted body, that produced some fall-out.

Mr. Fortier: In colour?

Mr. Walker: Not in colour, unfortunately.

The Chairman: How did you miss that, Senator Hayes!

Mr. Fortier: You are referring to letters?

Mr. Walker: Yes, largely from the more elderly people.

Mr. Fortier: You don't mean a drop in circulation?

Mr. Walker: No, no. Complaints. Most of what we do—I think perhaps it is a mark of the effectiveness of it, I am not sure, does produce fairly sharp pro and con positions.

Senator Hays: Did the circulation go up?

Mr. Walker: No, unfortunately not. It is about stationary.

The Chairman: On this point you said in referring to the particular pictures of the three ladies with the gentleman, I think you used the word—I wrote it down—"This is a fairly orthodox approach." Would you agree with me, Mr. Walker, that it is not orthodox by the prevailing standards of the member papers in the CDNPA?

Mr. Walker: Yes.

Mr. Fortier: I can't recall seeing any letter to the editor critical of this news treatment following December 19th; am I right?

Mr. Walker: No; most of my contact was directed over the telephone and that is what you get, or tend to get, much more of than letters. The letter-writer is not as moved as the telephone voice.

Mr. Fortier: If you had received a letter from a reader very critical of this treatment of the news would you have published it?

Mr. Walker: Oh, yes, indeed. We publish far more critical letters than we do letters supporting something we are doing, for the reason these people are entitled to a voice whereas the ones that support us...

Mr. Fortier: Amongst my friends in Montreal, one of them told me one night he was going to write to you to commend you on this particular page. Did he ever do so?

Mr. Walker: I don't think he ever did.

Mr. Fortier: Did you hear from this publisher?

Mr. Walker: I think I heard from this president.

Mr. Price: I was going to say that Mr. Walker probably receives more complaints but I must admit on this, and the painted body I got an awful lot of complimentary comments about it.

Senator Hays: In the morning or late in the evening!

Mr. Price: Do we have to answer these questions?

The Chairman: I apologize to you, Senator Everett; I am still transgressing on his question period. You made reference, Mr. Walker, again referring to this picture, "to the win of change". I think that was the phrase you used. This trend, in which certainly *The Montreal Star* is obviously a leader, you think that this is a healthy trend, do you?

Mr. Walker: Yes.

The Chairman: Do you think it is a trend which will soon appear in other daily newspapers across Canada?

Mr. Walker: I couldn't say.

The Chairman: You really couldn't say?

Mr. Walker: No. I would not know. Your scale of publishing is different as are their attitudes, as Senator Hayes pointed out. You might not do something like this in Saskatoon or Winnipeg or somewhere. You might do it in a big city any place in the world. You now, we are not really that remarkable if you compare us with the London papers. I am not talking now about the popular papers but the good *Sunday Times*. They are pretty free about the subjects they discuss and the illustrations that go with them.

The Chairman: Do you use the so-called four-letter words in *The Montreal Star*?

Mr. Walker: We have. Which particular one do you mean, sir?

The Chairman: I am more interested in knowing if you intend to expand upon the use of four-letter words in *The Montreal Star*.

Mr. Walker: No, I don't think so. When we use them I hope we use them because they help.

The Chairman: May I ask one other question on this point? Perhaps you are familiar with the book, let us take for example, *Bertinotti's Complaint*. Why is it in your opinion, that four-letter words, all of them to refine them, are used in a book which became a best-seller in the United States and also in Canada and yet to date at least, they are not permissible in newspapers?

Mr. Walker: I don't think we have a reason to use them. That is the only reason why we can't. If somebody was quoted and the words they said included those words and it was part of the establishing of a man's character or his attitude I would use them.

Senator McElman: We have had some conflicting testimony here as to whether the media, particularly the print media, should be following, leading or reflecting public opinion. Which category would you say you fall into at this point, sir?

Mr. Walker: I don't think any of them really. We do reflect current attitudes. I don't think necessarily we lead or follow. We try as an unconscious editorial policy to take the surprise out of living. If we do our job properly, instead of instances becoming a series of crises every day, we should have the shock value out of things that happen. We should be far enough ahead in that sense, if we can discuss a trend or predict an event or a change in attitude and by putting that into

the paper early enough to stop this constant bump you get by being surprised almost every day.

The paper in general terms is a reflection of that effort to so inform that you won't be surprised tomorrow morning; if we do it properly you should not be surprised.

Senator McElman: On this would you say then that the type of page that Senator Hayes has so cunningly displayed today would be reflective of your market area or all Canada?

Mr. Walker: Certainly of our area to judge by the movies shown, other illustrations, and the pictures on television. There would be no surprise in that. At least I would not think so.

Senator McElman: Do you feel that the public, let us say on the prairies, would react similarly?

Mr. Walker: I couldn't answer. When I was out on the prairies they certainly would not, no.

Senator Hays: Is that why you moved to Montreal?

Senator Prowse: We used to have Eaton's catalogue, you know.

Senator Hays: This letter you received from the president; was it a kind letter?

Mr. Walker: I think it was a verbal expression; not particularly kind, no.

Senator McElman: You mean he didn't put his four-letter words in type?

Mr. Walker: No.

Senator Everett: In paragraph 21 of your brief you state:

"We are consciously leaving certain fields to those forms of information which are better equipped to handle them."

Can you tell me what forms of information?

Mr. Walker: The sort of immediate fast news that is very well handled by radio, that kind of field we are not nearly as concerned about now as we were ten years ago. We have in fact sort of given it to them.

Senator Everett: By that do you mean the extra field?

Mr. Walker: Really, yes. The sort of hot news special that we are hopeless at anyway. Before we have thought about it, it is out on radio. In that area we would try background-

ing instead of pushing at it. There are certain things in television that television does pretty well. We have got out of them and tried to do them a different way. We go in much more for the magazine-type article in our paper now than we did five or ten years ago. Here is again the sort of release of immediate hard news to these two mediums, and us fulfilling what I think we can do better than they can—the backgrounding, the filling-in, the fleshing-out of information.

Senator Everett: In those two examples you deal with news, though; you may deal in another form?

Mr. Walker: Not nearly so much the cop-and-robber instrument now as we used to be. We are trying to do crime a little differently—really that kind of thing I am talking about.

Senator Everett: Does that mean you would not report crime?

Mr. Walker: No, we would. We try really, we haven't succeeded at all yet, to be less concerned with, say, the hold-up and more concerned about the conditions that lead a man into hold-ups; to try and intellectualize crime a bit, really is what we are talking about. Criminology more than crime—let us put it that way.

Senator Prowse: The causes as well as the result?

Mr. Walker: That is right, indeed.

Senator Everett: Mr. Price, in your supplementary to the submission you say at question No. 2, the paragraph at the bottom of page 2:

"The economies arising from group ownership are, we believe, self-evident although we doubt whether the loss of so many independent newspapers has been entirely due to economic necessity."

Can you tell me what other factors contribute to this fact?

Mr. Price: I really can only say that some people probably sell prematurely in my opinion; probably feel for their own personal reasons they must sell. I don't think necessarily their paper is losing money and it is necessary to join a group for the benefits.

Senator Everett: As a matter of fact, what you are saying is the growth of the chains or the groups is not entirely due...

Mr. Price: I am saying that perhaps the sale of some newspapers is not due to the fact they are losing money and couldn't stay alive other than by joining a chain operation.

Senator Everett: That concludes my questions.

The Chairman: May I ask one question? Have the so-called chains or groups, the major chains and groups in Canada, at a time attempted to purchase *The Montreal Star*?

Mr. Price: Yes. I think people have indicated they are interested in *The Montreal Star* and purchasing *The Montreal Star* but would say equally as firmly, that never have we indicated a desire to sell it or was there any further discussion other than to say "Thank you for your interest." In other words, *The Montreal Star* has not been for sale.

The Chairman: I was interested less from your point of view than from the point of view of the activity of the chains. How recent have the overtures been?

Mr. Price: I have been with *The Star* for three years and I would say that three or four people in that period of time have spoken to me about ownership of *The Montreal Star*.

The Chairman: Mr. Price, senators, ladies and gentlemen, it is now two minutes to five and we will adjourn until five after four and complete our questioning of *The Montreal Star*.

—Short Recess.

The Chairman: Honourable senators, the session is back in order. I will begin the questioning with Senator Hayes.

Senator Hays: I suppose I should direct this question to Mr. Price. It concerns the *Family Herald* which was in operation for almost a hundred years.

Mr. Price: That is right.

Senator Hays: It was almost a family bible in rural Canada from coast to coast and also in many, many of the small towns and it left a great gap. I believe your circulation was over around three hundred and fifty, was it not?

Mr. Price: Four hundred and twenty-five.

Senator Hays: Four hundred and twenty-five thousand, and I suppose this was at

aying and that is why you have gotten rid of . I would like to know, in your thinking, how this great gap might be filled—because there is a great gap.

Mr. Price: In the farm publication?

Senator Hays: Right through the farm publications. They almost ceased to exist after *The Family Herald Weekly Star*. We have *The Winnipeg Free Press's Weekly* and I understand it is not a very profitable publication.

Mr. Price: If I could I will pass to Mr. Walker. I was not with *The Montreal Star* long enough to be involved with the *Family Herald's* operations.

Mr. Walker: We found that economically, nothing we did seemed to help us. I lost enormous sums of money for the institution when I was the publisher of it. It was a very good publication, I thought, and it did its job and fled out its field but after ten years of really very substantial losses indeed, it was decided to close it up. I don't know how you would try again. I don't know where your possible revenues would come from. I think perhaps you could try it through television, if you could do it. Television is pretty good in that kind of area.

Certainly whatever we did—our circulation was no problem—in fact we had too much circulation. The writers were no problem. We had a superb group of writers.

Senator Hays: I think you had one lousy one when I was the Minister of Agriculture!

Mr. Walker: Which particular one was that, sir?

Senator Hays: I don't know whether he was under your direction or whether it was just him.

The Chairman: He was an editorial writer?

Senator Hays: Yes.

Mr. Walker: That little magazine was in the forefront of a log of writing. It was on water and pollution long before most people were, and the readers loved it. In fact it was kind of heartbreaking. Certainly the advertisers didn't love it.

Senator Hays: When you changed the format did it deteriorate more?

Mr. Walker: How do you mean, sir?

Senator Hays: Along about six, seven or eight years before you closed it you completely changed it. You used to cover agricultural exhibitions and in Ontario, you covered the ploughing matches—a kind of homey, personal sort of thing. I was wondering if there was any change after that because you never changed back.

Mr. Walker: We went to roto.

Senator Hays: Well I am just a layman.

Mr. Walker: That immediately gave us very long deadlines so spot news began to drop out—country fairs, prize-winners, this and that. I didn't think that was too bad because we filled in with better and I thought more informative technical material. It was just that no matter what we did the enormous high-cost operation—perhaps that was one of our faults. I don't think we charged for it to our subscribers. That was perhaps another fault.

The main fault was there was no revenue.

Senator Beaubien: No advertising, Mr. Walker?

Mr. Walker: We had advertising but not nearly enough.

Senator Hays: How much more in subscriptions would you have had to charge to make it profitable?

Mr. Walker: I am not expert enough on this field. I sometimes thought we might have tried doubling or tripling the price to see what happened. I think the experts went into that and said it would not work either.

Senator Hays: You mention now that maybe television might fill this gap. Are you speaking principally of the CBC or a complete channel for this coverage?

Mr. Walker: The CBC farm broadcasts have been marvellous for many years, I think, and I watch the material every day and listen to it, but I think they could probably do more. They would be the direct and logical way of feeding this material in.

Senator Beaubien: It would cost more.

Senator Prowse: But it would cost somebody else more.

Senator Hays: When you suggest television, it is not a part-time sort of programming. You believe it might be a whole channel like in the United States where you have

a weather channel, nothing but weather from eight o'clock until mid-night.

Mr. Walker: This would be nothing but agriculture.

Senator Hays: Do you think this is worth exploring?

Mr. Walker: I would think so, yes. I know that certainly as far as print is concerned nobody is likely to come back and try again and I also think it might work better than print. It would be more direct. We had big trouble on the *Family Herald*. It was divided into so many parts that we never really did one part well; we never covered from Vancouver Island to Newfoundland where there were different problems. We failed to do any one area properly.

Perhaps we should have gone out and tried to specialize a bit more but if you wanted to cover sheep farming, for example, it is a relatively small group and it should be covered and we would do it perhaps once a year and leave them with nothing really in between. We found our groups were too small for a national magazine.

Senator Hays: I think it was Mr. Price that mentioned you favour partnership and this sort of thing. Do you feel that the media as a whole probably should get into this field on a sharing basis to fill this agricultural gap?

Senator Beaubien: On a sharing of losses basis.

Senator Hays: Maybe it would not be losses. Has it ever been investigated?

Mr. Walker: No, except in a sort of very generalized superficial thinking that we have done at *The Star* of sort of composite writing matched with television, matched perhaps with radio. Sort of a pyramid structure of doing it. I think that it could work or at least might be worth looking at. I think it could work of course in a much broader field than just agriculture.

Senator Hays: Do you feel that a committee like ours should explore this more? You think it could work?

Mr. Walker: Yes, I think it could work. I think it is an audience now that is almost totally neglected.

Senator Hays: There is no question of this.

Mr. Walker: It is unfair that they should be. Also I think bad for the country but it is

also very unfair to that audience. It is 1 now; it has one or two publications.

Senator Hays: What happened to the subscriptions that you had, the long-time subscriptions? They went for six or seven years.

Mr. Walker: *The Prairie Farmer* took it over. We had some going up to 2005.

Senator Hays: What happened to *The Prairie Farmer*?

Mr. Walker: I think it is still going, isn't it?

Senator Hays: It is?

Mr. Walker: Yes.

Senator Hays: Is it connected with the

Mr. Walker: *The Free Press*.

Senator Hays: Is this part of the *West Producer*?

Mr. Walker: No, they are separate.

Senator Hays: What publications in Montreal are looking after the rural areas?

Mr. Walker: No English-speaking publications. There are two or three farm magazines, periodicals, published in the French language that are doing this job and continuing it, and I think quite healthy.

Senator Hays: Financially?

Mr. Walker: They seem to be.

Senator Hays: Are these weeklies or monthlies?

Mr. Walker: I think bi-monthly, and I think maybe there is a weekly, too.

Senator Hays: Are they based in Montreal?

Mr. Walker: One in Quebec City and one in Montreal.

Senator Hays: What percentage of your paper reaches into the rural areas?

Mr. Walker: Very small.

Senator Hays: Are there any Montreal dailies that get out to the rural areas?

Mr. Price: I think the *Sherbrooke Daily Record* in Sherbrooke covers more of a rural area than it does the City of Sherbrooke.

The Chairman: You are talking about the six daily papers in Montreal?

Mr. Walker: French-language.

Mr. Price: I think *La Presse* does also.

Mr. Walker: Much more, I think.

The Chairman: Mr. Fortier?

Senator Hays: Your basis is mainly Metropolitan Toronto?

Mr. Price: Montreal!

Mr. Fortier: Mr. Price, *The Montreal Star* is an English newspaper in what is a very substantial French community and you dwell on that in your written brief as to what your role is and how you conceive it. What percentage of your circulation reaches French-speaking Quebecers approximately?

Senator Hays: Sorry. That was a real lunder.

Mr. Fortier: That might help when Toronto comes a suburb of Montreal.

Senator Hays: You say the management of St. Lawrence Sugar Refineries and *The Montreal Star* are entirely separate nor is there any policy laid down on reporting of news potentially harmful to the sugar industry. Is that correct?

Mr. Price: Yes, sir.

Senator Hays: To what extent do you feel reporters and editors have an awareness of the common bond of ownership of these companies that affects their presentation of the facts?

Mr. Price: I think there used to be a day you didn't tell jokes about sugar around *The Montreal Star*. I don't know how many of our reporters would be aware of that fact.

Mr. Walker: I think there was a legend when I went to *The Herald* that one couldn't write about beet sugar. It was pure legend. And when I raised the point with the owner of *The Herald* he said he had never heard of this. This was invented at a lower level than ownership and we cleared that out very quickly with articles. There would be this tendency sometimes I think, particularly going back quite a few years, to second-guess ownership, and it just was not so. It just didn't happen to be true. Nothing from the time it was in the middle, the thing was created.

Senator Hays: When the Government decides they are going to do away with the sugar factories in Canada and subsidiaries and so on how do you cover the stories?

Mr. Walker: We would cover it straightforwardly. We would, too. We have never had in the time at least that I have been on *The Star* any suggestions or any hints or anything that might act one way because of the particular interests of the McConnell family because I don't know what their interests are apart from the sugar plant.

Senator Hays: You might get more static from the pictures of naked women?

Mr. Price: I would say somewhere between fifteen to twenty per cent would be our assessment but I must admit that it is a bit of a guess.

Mr. Fortier: You have never made any study of your readers?

Mr. Price: We have made studies of readers and it comes out at those figures but it is a definition: do you speak a little English; do you speak no English? You know—different classifications. It is hard to put it all together in a definite statistic. We estimate between fifteen and twenty per cent is read by French-speaking Canadians.

Mr. Fortier: Has your study gone this far: do you know whether or not this fifteen or twenty per cent also read *La Presse* or read *The Star* exclusively?

Mr. Price: No, we would assume—and I think it is borne out—that they probably read also a French-language newspaper.

Mr. Fortier: Who do you consider to be your main competitor; is it *La Presse*; is it *The Montreal Gazette*; is it radio; is it television?

Mr. Price: I think it is a combination of many things. Television definitely is a competitor and I think *La Presse* is a competitor, and I also think for advertising revenue—also the *Gazette*. We don't home in on one special segment for competition. I think they are all competition.

Mr. Fortier: Would that apply also in the field of advertising?

Mr. Price: I am talking about advertising.

Mr. Fortier: I think the Committee would be very interested in having on the record the views of *The Montreal Star* as to the way the rising nationalism in French Canada is being covered and being interpreted for its readers. Would you care to comment on that point?

Mr. Price: Would you permit me to ask Mr. Walker to answer that? I think he would be perhaps more eloquent.

Mr. Walker: We tried I think in the brief to indicate that. We don't interpret our role as contributing to the tensions that exist in the community. Our handling of news of this kind, of all news really, is very quiet, the general attitude. We are a quiet paper. We spend a great deal of time trying to explain the aspirations of one group to another. We do in fact talk to two audiences even if not directly, and we have, particularly in the entertainment part of the paper, broadened the coverage enormously in the last year or year and a half, I think to the advantage of the English-speaking audience. In the main we regard ourselves as a Quebec paper; not a ghetto paper.

We think we are part of the Quebec community and that we have exactly the same right to speak up and say our views as anybody else, the majority or the minority.

We don't really regard ourselves, I think, as sort of flag-bearers for any one section. Most of our editorial policy is designed, we hope, to be of value to everyone in the province; not just to one particular group.

I think a case in point is the present education controversy which is going on. The paper's policy is—I think it would not be an exaggeration to say—not the policy of a large part of the English community. We think it is the correct policy. That would be our general kind of attitude all the way through.

Mr. Fortier: Do you feel that you have a particular role to play in attempting to bridge the two solitudes that Hugh McLennan spoke of?

Mr. Walker: I would rather meld them than bridge them myself.

Mr. Fortier: Is this one of *The Montreal Stars'* philosophies?

Mr. Walker: I would think so, yes.

Mr. Fortier: Would you subscribe to the view with particular emphasis on what I termed earlier "rising French-Canadian nationalism"—would you subscribe to the view that "good news is no news" in Quebec?

Mr. Walker: I don't really quite know what that means.

Mr. Fortier: Let me give an example. Last week the Department of Natural Resources in

Quebec City and Falconbridge held a joint press conference where Falconbridge announced its intention of investing some on hundred million dollars in Northern Quebec in the next ten years. Would you treat such story in *The Montreal Star* with the same emphasis—I am speaking for the moment from the point of view of news value—as you would the explosion of a bomb in a mail truck or in a mail box?

Mr. Walker: I doubt it. One is a little more graphic than the other but we would, for example, in all probability—or should have done—give it prominence and explain its significance probably on the front page. I don't know what we did with that particular item. If we didn't handle it properly or if we didn't...

Mr. Fortier: I don't see it on the first page of last week's newspapers.

Mr. Walker: I don't remember it.

Mr. Fortier: I believe it was on your financial page.

Mr. Walker: Then I would think that was failure on our part.

Mr. Fortier: In the same text do you at *The Montreal Star* feel that in any way, shape or form you have a role to play in communicating news as well as views from and to Quebec to other newspapers in Canada?

Mr. Walker: Well, we have a syndicate that does move material that we originate around. We have had arrangements on occasion with *The Toronto Star* where we have shared news. I don't interpret my responsibility that at all. No, I am concerned enough with just the paper and the syndicate would handle that.

Mr. Fortier: Which syndicate is that?

Mr. Walker: Canadawide.

Mr. Fortier: In which you have a financial interest?

Mr. Price: One hundred per cent wholly-owned.

The Chairman: May I suggest you put the same question to Mr. Price, Mr. Fortier?

Mr. Fortier: Would you like to comment?

Mr. Price: Only inasmuch as I would agree with Mr. Walker that we have our hands full

Montreal. I would like to think that other people would see our newspaper and react to our newspaper, what we see is Quebec and what is happening. As far as responsibility is concerned, as I say I think we try to expose or material to people and it is really up to them to accept it. We don't meet with them every day so there is no such thing as forcing anything like that to make them accept it. That has to be their decision. We would hope for interpretations, as we see it, would be picked up by other people.

Mr. Walker: Some years ago we did go beyond the normal field and conducted a seminar in Montreal to which we invited newspapers across the country and a substantial number of people came. We had speakers and that was an attempt on our part to enlighten within the trade. I think then there were counter-conferences in Toronto and later a second one which also took place on the same general area. It might be that we should have more of that.

Mr. Fortier: I think you would have a very important role to play in this respect which I think you fulfill in Montreal proper, speaking for myself, and which I think could permeate the city and province and indeed the country as a whole.

The Chairman: Are you leaving that point?

Mr. Fortier: Not really.

The Chairman: I would be curious to hear an assessment that Mr. Walker and Mr. Price might make on the calibre of news coverage of affairs in Quebec in the balance of the English-language press in Canada. I am sure you read out-of-Montreal papers quite regularly. What is your estimate, what is your opinion, of the calibre of the news reports of Quebec?

Mr. Walker: I think it is improving a great deal. I still think that there is a lack of understanding in certain areas.

The Chairman: Which areas? Would you care to be more specific?

Mr. Walker: I think out in the West when we have sent reporters out, as we have in the last year for a total of something like fourteen or fifteen weeks, we have found—and this is a generalization which could be proved wrong in a moment—a lack of sympathy towards the province and what it is trying to achieve.

On the other hand, when we sent Evelyn Dumas to study the French communities of the West she seemed to find a very receptive audience in various parts of the country.

In the main I would think this is probably not newspaper responsibility so much as sort of national streams of news moving backwards and forwards. I would like to see more understanding and less crises talk, less tendency to magnify such civil disturbances as we have had in Montreal. Compared with other places it is pretty minor stuff, I think. If you had a Richter scale for riots ours would be pretty low down. I think there is a tendency to overplay that. I heard a broadcast not so long ago on the air in which the interviewer seemed to be able to think of nothing but violence.

Mr. Fortier: Claude Ryan talked of this in his speech on Sunday night to some doctors and said the positive aspects of Quebec nationalism is not given the same prominence as the negative aspects.

Mr. Walker: I would agree with that speech that he made. I think the enormous and impressive cultural record of Quebec is almost lost once you get across the Ottawa River. We had a week in which seven novels were published in Quebec. We have a constant stream of creative activity going on which is very much part of the life of the province. This doesn't seem to get treated beyond our boundaries.

Mr. Fortier: Some of your very good articles in the entertainment section; do they often get reproduced?

Mr. Walker: No.

Mr. Fortier: In other Canadian newspapers?

Mr. Walker: No.

Mr. Fortier: Would you need to be asked permission by, let's say, the *Calgary Herald*? How would it be done?

Mr. Walker: I would like to see them buy them but normal courtesy is you would ask if you were going to take whole articles. It would be the courteous thing to do.

Mr. Fortier: Whether it is a commercial proposition or not you have not been asked; is that correct?

Mr. Walker: As far as I know, no.

The Chairman: Mr. Price?

Mr. Price: That would be true.

The Chairman: Mr. Price, do you have anything to add on this question of coverage on Quebec in the rest of the country? Or has Mr. Walker covered it?

Mr. Price: He has covered it except at times I have been fairly angry with the Toronto coverage of the Quebec situation. When you are sitting in Montreal you realize to a degree what might be going on and at times I have been pretty unhappy personally. Personally I thought it was played way out of proportion.

The Chairman: In the Toronto papers?

Mr. Price: I would say in the Toronto papers, yes; sometimes on television also. By the same token there are times when we have been heavily criticized for the way we have been playing it in our own community.

Mr. Fortier: I know you travel extensively in Canada and have you ever picked up a copy of *The Star* at the airport in Montreal and then landed in Toronto or Winnipeg and picked up the local paper and read about the same story with a different accent; has this happened?

Mr. Price: Very definitely.

Mr. Fortier: What would be your assessment of the non-Quebec accent on the Quebec news?

Mr. Price: I think they played—I am not going to refer to a particular newspaper here—I am just going to say it was—I think one incident, shall we call it a speech—was played way out of proportion to what it was and to the truth, for that matter. I can see in the rush of things it might be checked later and was perhaps toned down but the play it got I think was unwarranted.

Mr. Walker: That particular speech was probably a very good example. It was treated as a very informed responsible comment when in fact it was neither. It took about a couple of days for the papers outside of Quebec I think to ask themselves "Well, who was he?"

The Chairman: Who was he?

Mr. Walker: I forget. Let me not mention the name anyway. It is important.

The Chairman: It might be helpful to the Committee.

Senator Prowse: I am guessing.

The Chairman: We don't want to anyone guess.

Mr. Walker: We didn't treat it—quite small coverage.

The Chairman: Mr. Fortier?

Mr. Fortier: You have quite a few French Canadian reporters on your staff. I am wondering (a) how are you able to attract the very good reporters, and (b) do they find it difficult to report news in a language which is not their native tongue?

Mr. Price: I should perhaps answer the first part. I think they are attracted to the fact that there are a Quebec newspaper now, and interest in what we are doing. As far as the second aspect, I would ask Mr. Walker to answer that.

Mr. Fortier: You make a conscious effort to have the *Montreal Star* to seek these reporters?

Mr. Price: Yes.

Mr. Fortier: You also have some very good English-speaking reporters.

Mr. Price: There are also bilingual reporters, too. I think this is a requirement. It is very important to have French reporters as part of the culture.

Mr. Fortier: I have often wondered myself and I put the question as a matter of fact to one of your reporters and he said, yes, he found it difficult to put his thoughts on paper in English.

Mr. Walker: Yes, that is true of some of them. It takes time but of the vast majority the incredible thing is the ease and the beauty with which they do it.

Mr. Fortier: I think it is a matter that the public can take judicial notice of, that the *Montreal Star* in recent years has become much more liberal—small "l."

Mr. Price: have any significant portions of your readers expressed their disapproval of this trend?

Mr. Price: Yes.

Mr. Fortier: Of your English readers, I meant.

Mr. Price: Yes, I think so. But I think this is quite natural. We have tended to move somewhat and we have left some people who

are very comfortable with us a little bit in the lunch. It was a conscious decision and I think desirable. Yes, we have upset some riders and I think we made some other riders very happy.

Mr. Fortier: Have you lost some circulation in English-speaking Montreal?

Mr. Price: I don't think so, not for that reason, no.

Mr. Fortier: This is a very general question. The Committee I think would be interested, Mr. Walker, in hearing it. When it comes to editing the first page of a newspaper—let us take the one that I have before me, Monday, January 19th—have you any set rule as to the prominence to be given, let us say, to the Quebec story, the national story, an international story? How do these all fall into place on any given day?

Mr. Walker: We regard ourselves as a local paper and we regard the most important area of our own area so working from that premise we really work outwards from the urban—first stories based in and around Montreal—then the province, nationally and then internationally.

Mr. Fortier: In that order?

Mr. Walker: Yes.

Mr. Fortier: I see on Monday, January 19th, you had eight stories on the first page.

Mr. Walker: Yes.

Mr. Fortier: Of which three dealt with the Liberal leadership convention. This was your first day of publication indeed after the election.

Mr. Walker: Yes.

Mr. Fortier: One or rather two, I guess, what you would call local crime stories?

Mr. Walker: Yes.

Mr. Fortier: One is what you would call—"I was tripped-out on drugs—Brody" by Nancy Moran.

Mr. Walker: Entertainment.

Mr. Fortier: That is an article which you received from The New York Times Service?

Mr. Walker: Yes.

Mr. Fortier: Is this par for the course?

Mr. Walker: No. If you go back a day the main sort of themes are national—three sort of national stories; four national stories really; and then what I would call a local story, the Bertrand story. In the main we feel that the most interesting thing to Montrealers is Montreal and also the most important thing that touches on all aspects of their lives, so the story that might be given a reasonably small play if it referred to, say, Paris—the same story occurring in Montreal would of course have much greater prominence.

Mr. Fortier: The abandonment of *The Montreal Herald* in 1957, was this a policy or economic decision?

Mr. Price: I understand it was financial. It was financial, I think. It had an audience of its own, a very complete audience, but economically was the reason I was given, but I couldn't prove that.

Mr. Fortier: I remember a few years ago before Mr. Pelletier became a minister of the Crown that he was writing a column (this was in your day) which appeared in French in *Le Devoir* and in English in *The Montreal Star*. What sort of arrangement did you have, not with Mr. Pelletier but with *Le Devoir* at the time?

Mr. Walker: Just an arrangement to share the column and publish on the same day. Nothing beyond that.

Mr. Fortier: Has this happened on other occasions?

Mr. Walker: Yes, we have done surveys jointly.

Mr. Fortier: As you did two weeks ago, didn't you?

Mr. Walker: No, we were not in on that. We do a little less of it now, I think. I prefer if I can to hog the copy, if you like to call it that, to make it ours and not somebody else's.

Mr. Fortier: Do you have any working arrangements of any kind with *La Presse* or with *Le Devoir*?

Mr. Walker: No; nor with anybody else.

The Chairman: Do you conduct any research surveys of any kind in concert with *La Presse* or *Le Devoir*?

Mr. Price: No, we don't.

Mr. Fortier: It is noticeable that in certain cities of the world you have your own correspondents where Canadian Press also has people?

Mr. Walker: Yes.

Mr. Fortier: What are your views on the CP wire service?

Mr. Walker: We have had some complaints which we voiced to them but not on foreign coverage so much as on domestic coverage. We have complained and I think other papers have, too, about the coverage of Quebec; that is the English-language coverage of Quebec by CP. In fairness to CP they have all kinds of problems and they are at the moment studying methods of improving the coverage but on their foreign coverage we have had no particular complaints.

Mr. Fortier: You have your men in Quebec City?

Mr. Walker: We have three.

Mr. Fortier: Do you find that English-speaking papers outside of Quebec tend to use the original Canadian Press story emanating from Quebec or the story which you feed on their wires and which emanate from one of your reporters?

Mr. Walker: I would not know.

Mr. Fortier: You have never looked at that?

Mr. Walker: No. A good many papers now have their own Quebec people but I would not know what happens actually. I would imagine the normal practice is a lot of the material goes out from the Montreal office of the CP might have originated in the *Star*.

Mr. Fortier: I don't have any further questions.

The Chairman: Senator Hays?

Senator Hays: I just have one question. When the Quebec Government opposes the Federal Government—as an example the Gabon case—did you support the Quebec Government or the Federal Government?

Mr. Walker: Well, we take each issue as it comes, senator, and we have on occasion supported the Quebec Government and on some occasions the Federal Government, but we have no position. In the Gabon affair I think we had very considerable sympathy for the Quebec position.

The Chairman: In Section 15 of your brief you say:

"It would be relatively easy to produce a paper whose primary purpose was entertainment. There are such papers."

Presumably you mean weeklies. Are there any such dailies?

Mr. Walker: I am thinking of a paper—the *Daily Mirror* in London.

The Chairman: Any such dailies in Canada?

Mr. Walker: No, not really.

Senator McElman: We have had testimony from The Canadian Labour Congress expressing their belief, I think would be a way of putting it, that there is almost a conspiracy amongst the daily newspapers to down-play the good news, and that there is too much of a preponderance of bad news—strikes and so on—little reference to what causes a strike or what conditions are in general, and they then get a very bad show from the daily newspapers of Canada.

Would you care to comment on that?

Mr. Walker: Well, I will comment on my own position. We have had in Evelyn Dumas and now in Adele Lauzon the finest labour reporting going. They are both specialists and both have taught and done work for trade unions, lectured to trade unions. In the case of Evelyn Dumas she has done work for the federal Department of Labour and her writing on the trade union movement I thought was just superb and not only devoted to strikes or to the crisis side of the union movement. We have done a series on labour philosophy and we have had very good background material done by these people. They are experts in their field, and I would say that that charge was certainly not accurate as far as we are concerned.

Senator McElman: They also suggested in their opinion they were getting a much better shake from the French-language press than from the English-language press.

Mr. Walker: In Quebec?

Senator McElman: I think this was in pretty general terms they made the comment. Presumably they were referring to Quebec.

Mr. Walker: I would dispute that as far as we are concerned and I really cannot tell you the *Globe and Mail* has a particularly

about correspondent. I think everybody would agree on that. Certainly from our point of view in general terms we have supported labour, supported many of the strikes that labour has been engaged in. Editorially we have no hang-up on labour.

Senator McElman: Again they suggested that because the newspaper industry is a part of big business it is big-business-oriented and this is having its effect on the type of reporting. Here again this was a general reference to the nation. That is a valid suggestion?

Mr. Walker: No. Well, again, I would doubt that but only talking the way I should talk, which is about our own operation, I don't think the business field in Montreal would feel that we are big-business-oriented. I think they might feel on occasion we were a little too objective.

Senator McElman: Could you give us your opinion, because it is only an opinion, you do keep abreast of what is happening in the media in Canada quite aside from your own publication.

Mr. Walker: I would not say so. Certainly the people who write papers are not. Now I can't think the press in this country is big-business-oriented really.

The Chairman: I have only two more questions. You make reference in Section 26:

"Journalism is a profession which needs challenge, which needs a whip cracked across its back continually, otherwise it tends to grow sluggish, not so much out of laziness but out of sheer physical weariness. It needs constant renewal from within and without."

What exactly do you mean by that?

Mr. Walker: It is one of the few enterprises which every day puts out a wholly new product and nothing is easier than to find formulas and slip into them; formulas of appearance, formulas of attitude. I think an inquiry like this where attitudes are called in question, where performances are called into question, are very healthy for the profession. I think you need to bring outsiders into it because your own people very quickly get inbred; they stick together. It is a very inbred tribe. A newcomer coming in, even moving from one paper to another, even changing editors it is healthy and good, it revives the thing and gives it new life. Things are not necessarily improved but they are changed,

and I think this must be constantly the case in the paper.

It is an enormously difficult task to perform and it has to be done every day fast and well, and I think people in jobs like the one I hold, for example, should not be there for long periods of time. I think they should be taken out and replaced with other people. Now I don't know whether the owners subscribe to this, they may be delighted, but I think it is healthy for a paper to change these particular directing hands at intervals and fairly frequent intervals. I know when I was on the editorial page at the end of about four years I was there, I thought, about a year longer than I should have been. Now we have a new editor and it freshened it up and it is better job.

The Chairman: Mr. Price, I would like to ask you this question, if I might. It will be my last question. The senators may have some.

Much has been said about the service you provide the English-speaking community in Montreal. Mr. Fortier was talking earlier about the relationship and coverage and so on of the French-speaking community. As you know there is a third force, or so-called new Canadian community in Montreal. How do you attempt to serve that community?

Mr. Price: The same way we serve the French community, and really our own community. We do find that there is—not a reluctance necessarily—but they probably are not heavy purchasers of our newspaper or subscribers to our newspaper. This might be because they have their own press or it might be still first generation.

The Chairman: Would they tend to buy the French-language?

Mr. Price: No, not necessarily. This is difficult and I think we are constantly making attempts to bring things of interest to them. Also what interests them I think is of general interest to the community.

Mr. Walker: I don't think we do a good job in this area. We have been trying quite hard to improve it so far. We have had symposiums and brought in editors of all the ethnic press and talked to them. We have run this material in the entertainment section. I think much more than the English community these are the solitary people of Montreal; many of them new; many of them gagged by language. And though we have worked in certain areas, we have done a series on the immigrants and

we had an enormous reception to a series by Sheila Arnopoulos addressed to them with places they could go to get help and assistance.

In the main I would be unhappy about our performance.

The Chairman: Are there any other questions? If not, senators, on your behalf and on my own I would like to thank you, Mr. Price and Mr. Walker, and Mr. Ferguson. I can only say that this has been a useful addition to the testimony we have been receiving for several weeks and will be, as I say, very valuable information for us to have. Thank you very much.

May I remind the senators that there is a meeting tonight at eight o'clock, Senator Grosart; and at nine o'clock, Professor Beattie of the University of Western Ontario, School of Journalism.

The Committee adjourned.

(Upon Resuming at 8.00 p.m.)

The Chairman: Honourable Senators, may I call the meeting to order. Our witness tonight is the Honourable Allister Grosart. In one way or another I have followed his career rather closely and if you have studied his biography you will note—at least the biography I have—that in 1929 he joined the staff of the *Toronto Star* becoming a reporter, feature editor, assistant financial and news editor. In 1934 to 1953 he was president of the second Public Relations Bureau which was formed in Canada.

He was also—I must say I did not know this—a columnist for the *Globe and Mail*. I think you are perhaps familiar with the latter stages of his biography.

In 1957 he became the national director of the Progress Conservative Party and had subsequent resounding success.

I think it is no overstatement to say that perhaps no one else in the Senate and very few people indeed in Ottawa who could be available to us, have really the special knowledge and indeed the special working knowledge in the area we are trying to study that is possessed by Senator Grosart.

Some of us thought that he would be a very special and very helpful witness. He did not prepare a brief and it is my understanding he really does not have any formal opening statement but he does have an informal opening remark or two.

Presentation by The Honourable Senator Allister Grosart: I was merely going to say, Mr. Chairman, that I am probably walking proof that whatever the news media might do elsewhere, it does not do very much for its employees in view of the biography you have given.

I could add I was a reporter for the *Toronto Daily Star* and I was also a script writer for the CBC but I wound up a Diefenbaker Conservative.

Senator Prowse: That is a terrible, terrible thing.

Senator Grosart: And still am.

The Chairman: Perhaps I could put the first question to you, Senator.

I came across—perhaps you read it—the most interesting article in the *Globe and Mail* of January 15, 1970. The article is entitled "Prospects for Tories in the Seventies" so unnaturally, as you will understand, I read it. It was by one J. Patrick Boyer and it says the top of the article:

"Mr. Boyer, 24, is an aide to Hewland Graffey, the Conservative Party observer of the Hellyer Task Force on Housing and son of Robert James Boyer, Conservative MPP for Muskoka. Following are excerpts from a speech given by Mr. Boyer, Junior, at the annual meeting of the PC Association of Sault Ste. Marie in the constituency of Attorney-General Arthur Wishart."

This is just his background. Mr. Boyer Junior, applied to our Committee to work on our staff. I was very impressed with him. His father runs a weekly paper. He is a very articulate young man. By the time that I and I got together our staff was formed and we could not use him. But in any event there are only two paragraphs in this article which are germane to our discussion tonight. I will read them and then I will ask you to comment and then we will turn to the senators for questions.

He is giving the reasons for the problems of the Conservative Party as they face the Seventies.

I am quoting:

"First, effective opposition is being played by the news media. This is because the media have speed, have information and have a publicly accepted objectivity that political parties don't. Since we are not the majority party

Canada, we've been spending most of our time as the main opposition party and not the government party. Now, with the primacy of communications and the ascendancy into active politics of the news media, we are losing our traditional role, our rationale, even as an opposition party. We're being displaced. (A similar situation exists at Queen's Park, not surprisingly, where we are the majority and governing party. The opposition parties are frequently overshadowed and outdone, in terms of providing effective opposition, by the news media, which upsets some of our readers when they watch TV or read page 7 interpreters that are strongly critical. They simply don't recognize that, at the same time, opposition in the Legislature is fragmented, superficial and desperate—as at Ottawa.)”

o, is the media the effective opposition in this country?

Senator Grosart: It is part of the effective opposition, I would say. It always has been. I am quite sure if you go back to specific scandals that the media was as much opposition as parliamentary opposition. To put it crudely they are both in the same racket, that is looking for sensational exciting things to say about the establishment.

bad news is always better reading than good news. The opposition looks for a headline material critical of the government and so does the press.

is very seldom one reads in the running copy of Parliament anything very laudatory about a government program. You might get this in a weekend magazine or in a serious magazine like Maclean's but the running copy from Parliament is sensational copy because the newspaper man is looking for a lead.

I would think there is not much difference between the attitude of mind of the Leader of the Opposition and anybody in the Gallery who was not definitely committed to one political party. When they both take their seats in the House for a question period they are both looking for exactly the same kind of material.

Senator Prowse: Blood.

Senator Grosart: Yes, blood.

Senator Prowse: Like a football game?

Senator Grosart: Yes, it is just the same thing in a hockey game and a football game.

The most exciting thing in a hockey game is a real rhubarb on the ice. The next morning the sports writers cover it and the photographers concentrate on this and there will be a little “tut—tut editorial” by the sports editor saying, “This is a dreadful thing. This sort of thing should never happen in hockey”, but this is what the television cameras will focus on and, as I say, you will have this tut tutting as you do in the papers every now and then.

But, it is much the same kind of comment. You know, it is too bad the opposition is not really zeroing in as they should. I think what the newspaper men really meant is that they are not giving us any blood so that as I say, putting it crudely, I think they are both in the same racket.

I do not think it has changed over the years.

As I read political history, I would think the impact of the media may, if anything, be less—this is contrary to most expert opinions today, but I think if anything it may be less in total than it was when everybody read the daily newspapers and when you called a newspaper “the Telegraph” or something emphasizing the fact that “Here is the hot news” and everybody was reading it. So it was getting through somehow because I cannot think of any political issue in our history (which I know fairly well) that was not probably thoroughly communicated by the media.

I do not think, for example, to go back a long time, to take a specific scandal so that I will not be accused of partisanship...

Senator McElman: And you wrote it. That is all right.

Senator Grosart: Say “the five cent speech”, Mackenzie King’s “five cent speech”. I do not think there was any less penetration of the facts of things like that which determines the course of an election than a similar effect today.

In fact, I am inclined to think there may be less today because the media message, if you like, is much more diffused than it was; because you have far more reporters in the Press Gallery. You have cameras. You have radio and everybody is looking for a different story so you get a diffusion of the interpretation of what is going on in Parliament or in the Department in the day to day conduct of government business which, as I say—when I read history—that you did not have.

Everybody zeroed in. Here is a specific scandal, Mackenzie King’s “five cent speech”.

I can think of a few things that have somehow penetrated right down, if you like, to the taxi driver or the barber shop where you heard it that night. One, for example, that I recall in my own experience was the Liberal Government decision to raise the old age pension by \$6.00 which resulted in Walter Harris having to live with the nickname of "Six buck Harris". This just hit right down that night. You heard it everywhere. What a dreadful thing this is. Imagine these liberals. If they had made it \$5.00, they probably would have been all right.

Senator Prowse: Or \$2.50.

Senator Grosart: Yes, but \$5.00 they may have said all right, \$5.00 but \$6.00 looked like being mean because I think the press realized this was exactly the increase in the cost of living. This is what the old-age pensioners were—this was the impression—bellyaching about so they gave them their six bucks. So you got this reaction.

Now, this was to me immediately—it was my view—nothing to do with the media. As one media pointed out it hit right away at night, people were reading the paper. The *Citizen* and the *Journal*—I happened to be in Ottawa at that time—and that would be my general comment that I don't think this is a new phenomena. It probably is to young Mr. Boyer who, as you say, is a very bright young man—he probably just discovered it. We are all doing this. We are all suddenly discovering something.

It seems to be a very large and important hypothesis in politics. At any age you keep discovering this.

I think this is what happened. Mr. Boyer suddenly woke up one morning and said, "By golly that is the situation", but I do not think there is anything new in it.

The Chairman: Now, to ask you some questions we have Senator MacDonald. I think he has some questions.

Senator MacDonald: In reference to what you said—perhaps I have taken the wrong impression of it—but I was astounded to hear you say that the reporters in the Press Gallery did not try to give a balanced picture of what Parliament does from day to day but merely are looking for something which is somewhat sensational.

Senator Grosart: No, I do not think I put that in the terms of the negative-positive question. I do not think I said they did not

give a balanced picture or did not try to give a balanced picture. I certainly did not mean to imply that they did nothing but look for the sensational. They do other things as well but a newspaperman's concept of a balanced picture is the story that is built around a logical lead.

Now, the lead is the most exciting thing that has happened. I do not think many reporters—unless it has changed a great deal since my day when I was a reporter—would say "I have got to give an exactly balanced picture of what happened in Parliament today."

Probably nobody would read it.

Imagine giving an exactly balanced picture of what happened in the Senate today. It would be so dull that nobody would read it.

Senator Prowse: They do not.

Senator MacDonald: You gave a speech in the Senate today, did you, Senator?

Senator Grosart: Yes, I did.

No, I do not think it is a newspaperman's job to discipline himself to that extent. I think he is there to get readable news. Most of the large papers have two or three correspondents. I read the *Telegram* more than any other evening paper at the present time and I am always interested and sometimes amazed on the completely different colour that two or three *Telegram* reporters will put on the same event.

The Chairman: Can you give us an example that comes to your mind?

Senator Grosart: No, I cannot think of a specific example.

The Chairman: Do you mean a thing about the opening of Parliament?

Senator Grosart: No. I would say...

The Chairman: Biafra, maybe?

Senator Grosart: Biafra is a good example. If you were to read what Lubor Fink has to say about it or Doug Fisher, they will tell quite different stories.

The Chairman: Except in fairness, Fink and Fisher are both columnists.

Senator Grosart: Well, I do not know whether you can make a distinction. In my day you always said "If you want to run a good reporter you make him a columnist." That was a columnist because...

Senator Prowse: It is probably still true.

Senator Grosart: Because you are getting into another very large problem and that is the balance, of course, between fact reporting and opinion reporting and opinion reporting disguised as factual reporting, which is the thing I find annoys me more than anything.

When a reporter or a columnist—I do not see much difference today—in my day there was a difference. The reporters stayed with the facts and wrote the facts. If he became opinionated he got fired. I can think of many fellows who were reporters who were fired or being too damned opinionated.

This is under the regime of Harry Hindmarsh. I cannot imagine any reporter today being fired for being opinionated. He would probably be promoted.

I am not exactly saying this in criticism because I am almost 10 years out of date in this business. I was following it pretty closely up until a little less than 10 years ago; but since then, I have become a spectator but I realize that the theory now is you have to have interpretive reporting.

Straight factual reporting is dull stuff. It is only for squares. You must have reporting in depth. You must try and match television. My favorite reporters—I am not going to name them—are the ones I find most factual. I like to get the facts.

I think I am straining a bit but this would indicate to me that perhaps the basis of my own personal belief, that as far as public opinion reporting that the daily newspapers are considerably more important than television. Somebody no doubt will quarrel with me but the reason I think this is that television is constantly attacking its own credibility with its violence shows and overemphasis of sex. It annoys a substantial part of the audience—the commercial advertising, people say “Well, this is all artificial”. That is the view. You hear people say “I got the news. I saw it in the paper.” But you very seldom hear anyone say “I know it is true because I saw it on television”.

The Chairman: Do you yourself watch much television?

Senator Grosart: It depends on what you mean by “much”. I am passed the age when I get anything but annoyed at long kisses and citches.

The Chairman: I hope there are no supplementary questions on this.

Senator Grosart: As I said, when the whip asked me to speak on the Omnibus Bill amending the Criminal Code, “No. I don’t want to get into it because I was not old enough yet to be interested in homosexuality and I was too old to be worried about abortion.”

The Chairman: You were telling us what you do. What do you watch on television? Do you watch newscasts?

Senator Grosart: The news mostly, football games towards the end of the season when it gets exciting. Hockey—not much lately because the Maple Leafs are losing and I cannot bear to watch them.

The Chairman: You and I have more and more in common.

Senator Grosart: I watch any football game where Russ Jackson is playing. I just like to watch him play. An occasional very square play, an old movie. I am watching now for Ninotcka to come back.

Senator MacDonald: Did you ever see “The Birth of a Nation”?

Senator Grosart: Yes, and the “Ten Commandments” if it comes back I will certainly want to see that; the original version, before they jazzed it up and put all the sex in it. When sex was in the background, that is the way I liked it because I have a puritan up-bringing.

The Chairman: Senator Hays had a question. I am not sure whether Senator MacDonald is first.

Senator MacDonald: Just on this point between TV and newspaper media. Surely what you say does not apply in political broadcasting, a political speech or something on TV. Would you agree it has a greater impact than an advertisement, for example, in the newspaper.

Senator Grosart: Oh yes. I was not comparing a television report of an actual event with an ad.

I have spent a lot of money over the years in newspaper advertising for political campaigns. I am inclined to agree with the United States Senator who once said, “Everybody agreed that half the money wasted on political advertisements in campaigns was wasted but nobody could agree which half”. I would almost think it was all wasted.

I am not comparing those two but comparing a TV commercial with a good daily newspaper ad, I will take the daily newspaper ad, if it is a good one.

The Chairman: Are you talking about a political campaign or for other purposes?

Senator Grosart: No. Political campaigning because that is all I have too much knowledge of.

Senator MacDonald: The impact of a television report of a political meeting when the cameras are right there and a newspaper report...

Senator Grosart: I would take the newspaper report. A good example of perhaps the most famous case on TV having a penetrating impact was the Kennedy-Nixon confrontation. There was almost general agreement that Nixon lost a lot of marks and possibly lost the election; but my analysis at that time—the analysis which I did at the time—was it was not until the newspapers came out and said “Nixon was lousy”, and “He should have shaved”, that the impact really hit. You did not get it immediately, or I did not, but it was when the newspaper reporters and commentators were absolutely unanimous even if they were Republican papers.

You know, they were shaking their heads. “It is dreadful. Nixon ought never to have gone on television with Kennedy” and this kept on going all through the campaign. The television thing was seen once.

If the newspapers had come back and said “You know really although Nixon did not look quite as well, we are not in this election trying to elect a movie idol but Nixon with what he said was solid. This is what the nation needs”. I think the impact would have been the very opposite.

Senator Prowse: Just a moment. Let us take this example. In that election campaign—I would imagine it is the same as every other election campaign in the United States—were not the majority of the newspapers in their editorial opinions supporting Nixon and the Republicans, about 85 per cent.

Senator Grosart: I do not think the figures were that high but I think you are quite right that the majority of the daily press in the United States was on the Republican side but it was because the Republicans who were shaking their heads and saying...

Senator Prowse: Let us take your last civil election in Toronto. There are three big dailies there who all unanimously came out in support of—was it Givens?

The Chairman: You are thinking of two elections ago.

Senator Prowse: Oh, two elections ago.

Senator Grosart: The Chairman can tell you more about that last one than I can.

The Chairman: In the election they had two elections ago, all three Toronto papers supported Phil Givens. He was defeated. William Dennison was elected. Is that the election to which you are referring?

Senator Prowse: Yes. Now, obviously the newspapers could not have had that much impact.

Senator Grosart: No, we are dealing with two different things. Now you are talking about editorial support.

Senator Prowse: Yes.

Senator Grosart: This is an entirely different thing. Any figures I have seen on the number of people who actually read editorial and can respond to them in their survey is slow, you can almost say nobody read editorials.

Now, politicians do and many people do but if you take a real depth survey and try to ask them to play back what was in the editorials, you draw a blank but not with the front page.

Now, there is a great difference between the front page treatment and why you get—and this is happening—a newspaper deliberately and cleverly slanting its news. Then you can really have an effect.

I can remember the famous election in Toronto, Sam McBride and Bert Wemp some...

The Chairman: That would be in the early Thirties?

Senator Grosart: Yes. I do not see anybody around here old enough to remember the one.

The Chairman: Mr. Spears, I imagine, was covering it.

Senator Grosart: Sam McBride appeared to be winning in a walk. Bert Wemp was suburban editor of the *Telegram* at the time.

and not a very glamorous candidate and just about the last two days Sam McBride made some rather scathing remarks about Bert Wemp because he had not turned up at some meeting or something. He said he was a coward. The *Telegram* came out the next day with pictures of Bert Wemp in uniform with his DFC and the whole front page was Bert Wemp, the hero and it won him the election.

I do not think there is any question about this and this is the kind of impact that you could get. You cannot, I do not think, get that kind of impact from television because there is no credibility.

Senator MacDonald: Do you think that it is one today where newspapers slant its news for a local person?

Senator Grosart: Yes.

The Chairman: Can you give an example?

Senator Grosart: No, I do not want to give examples because...

The Chairman: I did not ask you that to embarrass you but it would be useful to us if you could. Would you do it privately?

Senator Grosart: Well, the thing is so all-pervasive I would have quite a job going back picking out examples but surely....

Senator Prowse: If it is cleverly enough done, you cannot see it.

Senator Grosart: Of course, the classic example was *Time* over the years, they fooled everybody. *Time* developed its apparent objectivity in their format. Everybody thought *Time* was absolutely objective but it turned out later that *Time* was playing the game right along.

I think every newspaper is doing this to some extent. For example, I very much doubt if a newspaper that was of the establishment in a Conservative sense, would have published MacPherson's cartoons on Diefenbaker. I think these MacPherson cartoons did more than any other single thing to create difficulties for Mr. Diefenbaker.

Now, I cannot see a Conservative paper publishing those. I am sure that the *Toronto Star* published them with great glee. I know examples—I am sorry I did not come prepared...

The Chairman: That is fine.

Senator Grosart: To bring them up but I think everybody in this room could think of

fairly current examples of where newspapers deliberately going into a morgue and getting a picture of somebody that is the least attractive picture. I think Mr. Diefenbaker has been the victim of this because he is very energetic and forensic and he lends himself to bad pictures.

I know when I was with the *Star* we had a morgue like that. I am going back now to the Thirties—we all knew where to go to get this kind of picture.

We also had another file which was called "The loud-mouth file". It was a file on everything, whether it was liquor or Protestantism or Catholicism or—all sorts of people—there were ministers and so on—you could rely on it.

You just had to call them. You knew that they would blow something highly bigoted or something utterly silly.

As a matter of fact I used to do interviews for the *Star*. I got into real trouble one time with a British Admiral. He had been a Q-boat hero and he had gone on a tour of the United States and part of his act was to insist he could not be interviewed. He had never been interviewed and they started to call him "The mum admiral of the British Navy".

He came up to Toronto here on one of those hot days of summer. Mr. Hindmarsh sent me down to interview him and we had prohibition in those days. The admiral said "Well, we will have a drink". I said "You cannot get a drink here. You are in Toronto", he said, "My oath". "Well, I said if you really want one, sir, I can get one". I was on the hotel beat anyway so I knew my way around so I got a bottle of Haig whisky and we drank it and the admiral was not mum any more.

He had been thirsty for a long time and so I went back and wrote a story about the "Mum Admiral of the British Navy." Between interims of protesting that he never was interviewed, he commented on everything that was going on at the time.

Well, it was a dull day and somebody put an eight column line on it, on the "Mum Admiral of the British Navy."

The first thing I knew I was called into to see Mr. Hindmarsh. The first thing he said—being a *Star* reporter—"Did you see him"? I said "Yes, sir, I did. I did not make it up". Then "Where" and so on and I apparently established the fact I had seen him and he said "What about this?"

Well, I told Mr. Hindmarsh the truth. Mr. Hindmarsh was a great prohibitioner. He did

not approve of liquor in any form but if you got a good story by the use of liquor, he would relent. A good story was more important to him than that particular principle of his.

Senator Prowse: It was your soul, not his.

Senator Grosart: Yes, sir, so he got the Admiral quietened down anyway and then he said to me "You know, Mr. Grosart, you are starting in this business and you are writing pretty good interviews but remember one thing. If you ever write an interview about anybody and the subject likes it, it is not a good interview"; and there is a lot of truth in that.

In other words, a newspaperman is out there trying to get this fellow to say something that is not what he would say if he were in fact writing his own biography.

Senator McElman: Do you consider this to be honest reporting?

Senator Grosart: Yes, honest from the point of view of your job. You are not distorting. Who is to say you are distorting? Who is to say that it is not a better picture of the Mum Admiral than the picture he wanted to give you?

I do not know. I think it takes all sorts of looks at anything to come up with a composite picture that is nearer the truth. It is the old story. I put an apple down there and the Chairman says to me "What colour is that?" And I would say "It is red". Senator Prowse might say "That man is crazy. It is green". He is looking at it from the other side.

I think this probably applies in the newspapers. Again I say it would be an impossible restraint to put on a newspaperman to say to him "You have to come up with an exactly balanced account of this. You must have exactly the same number of pros and cons".

You go over your copy and say "Well, I have said five good things and five bad things, "because nobody is much more than 50 per cent good and 50 per cent bad. We do not vary very much.

The Chairman: I think if Senator MacDonald will allow, some of the other senators want to ask some further questions.

I have Senator McElman and Senator Hays. I think Senator Hays was first. Was your question a supplementary, Senator McElman?

Senator McElman: I wanted to go back to the Senator's suggestion that the printed word has more strength than television and

then just in general terms of the actual strength of the print media.

Would you not agree that the relative strength can be measured by the whole circumstances and aura of the particular—let us say—election period. I am thinking, of course, of the Truman period where everybody was knocking Truman and he was out and then was in the print media and he came through without the media getting partisan.

An even more recent case of where everybody in New Brunswick were—not just at election time but for a two year period in the particular area in which I am familiar—knocking the stuffing out of a particular party and Premier and yet he came through.

The whole aura and the whole circumstances, do they not negate the principle of occasion?

Senator Grosart: Well, there are bound to be exceptions, Senator. You have used the word "everybody". Everybody is nothing.

Senator McElman: I mean the media. I doubt if you really mean it is the print media in general.

Senator Grosart: Well, I do not know the situation.

Senator McElman: Let us take Truman.

Senator Grosart: In the Truman case they were not all knocking him. They were saying he was going to lose. As a matter of fact there was a good deal of admiration for Truman.

Senator Prowse: Obviously.

Senator McElman: And yet the media was knocking him out, Senator, I think you would agree with that.

Senator Grosart: I would not disagree because my recollection is not precise on that but here again—are you talking of editorials or are you talking about the reporting?

Senator McElman: The full effect.

Senator Grosart: The full effect, it seems to me—I am only guessing because I am not basing this on any kind of theory but my view is that Mr. Truman conducted a first class grass-roots campaign, that he was the underdog and I think this was not perhaps the intended objective of the press committee or the press reporting but this came through

I would think that any kind of analysis of that election would show it was the press that got the Truman message across.

Senator Prowse: He was fighting bravely but hopelessly or against hopeless odds.

Senator Grosart: Yes. Roosevelt is really a better case because Roosevelt actually—as I remember him—had a large part of the press absolutely hating him.

Senator Prowse: Not just the press.

Senator Grosart: Yes, but we are talking about the media. The press was vitriolic about Roosevelt. He capitalized on it and I might say on those fire-side talks.

This is an interesting thing. Everybody has the impression that Roosevelt gave scores of re-side talks. I have forgotten the exact number but I think it is three. This surprises everybody. Whatever the figure was it was very low. But when we think back and, you now, we think that he was on the radio every week with a fire-side talk; he was not.

I think here it was the sheer excess of trivial that did this.

There is somewhat the same thing with Truman but now I am mixing up the two, editorial and the reporting and yet there is a clear distinction but very often the editorial attitudes seem to me to spill over into the reporting.

I have been a reporter. I can tell you a story. Perhaps it should not go on the record because the gentleman is still alive and in contact both gentlemen concerned—and one is now a very famous columnist. It was in the George Drew campaign and we were in Newfoundland and one of the reporters covering him—

The Chairman: I might say this is going on the record.

Senator Grosart: That is all right. One of the reporters covering it got very drunk and was not able to file his copy. The word had gotten around and they were talking and somebody said “Grosart”—I was the sort of man for Mr. Drew. Somebody said “You are an old *Star* man. Why don't you follow through and do his copy” which I did.

Well, I wrote the story the way I thought the *Star* would want it written. I did not exaggerate the attendance there and so on. Mr. Drew got terribly annoyed and would not

speak to the reporter for days and we had an awful job covering up the fact I had written it.

Well, I knew the *Star's* style. I could write the style because I had been on the *Star*. I could have written it for the *Globe and Mail* at that time.

Senator MacDonald: Do you think reporters slant stories, Senator?

Senator Grosart: Unconsciously. They have a viewpoint. I think we all slant. If somebody asked me my opinion—as they often do, in and out of the country “How is your Prime Minister, Mr. Trudeau, doing?” Well, my viewpoint—no matter how objective I try to be—is slanted.

Senator Prowse: The answer is “Not very well”, as far as you are concerned.

Senator Grosart: No. I found myself trying to be objective and winding up being silly. I do not think any of us in any kind of comment are free from environmental slanting. I do not think you can even expect a reporter to be. After all, he is a human being. He is not a computer. He is reporting something as he sees it.

To some extent he is reporting its effect, its impact on an audience.

A good example is, let us say, your theatre and drama critics. You take up the paper and one fellow says that this violinist left the audience cold and the other critic will say “Fantastic success, standing ovation” and we have all seen this happen.

That is why somebody like Nathan Cohen is good because everybody else is trying to be kind so it will not sound like Nathan Cohen's view.

The Chairman: I think Senator McElman has a second question.

Senator McElman: Yes. I would like to get back to this comparison of the effect between the print and broadcasting, particularly television.

Before I do, you raised the matter about Roosevelt and how many people either hated him well or loved him well.

One of his favourite after-dinner stories was about a Wall Street broker who hated him and each morning as he arrived near his office he would stop at his favourite newsie and pick up his paper. He would look at the front page and he would say “Damn” and he

would throw it in the big waste counter beside the newsie's stand.

Well, after this had gone on for a long time the newsie mustered his courage and said to him "What is it you are looking at on the front page that bothers you?" He said "The obituaries". The newsie said "But, the obituaries are not on the front page". He said "The S.O.B. I am waiting for will be". So then I think that points up the story of Roosevelt. He was hated or loved.

Going back to the Nixon-Kennedy debate. The television thing was a one shot deal, Senator, was it not?

Senator Grosart: Well, yes, in that case.

Senator McElman: Now, as you very properly put it, the print media from there on kept playing that Nixon did not shave and he did not make a good show and so on. Let us put the media on all fours.

Let us say for example for the remainder of that campaign it had been permissible—which it was not—that the Democrats had been smart enough to have a video tape of that performance and had taken clips from it and had played one minute or three minutes or five minute clips periodically through the rest of the campaign. Would you not think television then would have had a tremendous impact and perhaps would have equated anything that the print media might have done?

Senator Grosart: Well, I do not think so. It is really the "Truth Squad" case. It was either going to be a brilliant success or it is going to fall flat on its face.

The Chairman: Which do you think the Truth Squad did?

Senator Grosart: It fell flat on its face but it did not have to. It was a pretty bright idea. I thought it was at the time.

Senator Prowse: You are half right anyway.

Senator Grosart: But it did not work. There were reasons. I think it probably would have worked with anybody except Mr. Diefenbaker. He has the particular ability to ridicule.

Senator McElman: Why would not this other have worked?

Senator Grosart: Because again television elsewhere destroys its credibility because there is an obvious purpose in doing this. You are pillorying Nixon whereas in the media

comment—it is the continual oblique reference to this. Even a favourable comment favourable reporting will keep coming back and so in spite of his bad shot in the confrontation with Kennedy, he did terribly well here in Peoria.

They keep coming back to it. They get fascinated with it and of course this is one of the devices that propagandists try to use. You try to plan this. If you can develop for your own party a certain stance and you give evidence that it is sound. Let us say some party came out and said right now "we are the party of the middle class." Vis-à-vis the white paper. Well they would hope the opposition party would keep saying: "Ha, ha, that is the party of the middle class." The more they said it, the more it would stick—the idea that they were the party of the middle class.

I am not talking about propaganda, which is another side and not supposed to be very nice. I have indulged in a bit of it in my time but I do not think...

The Chairman: Well, I am thinking of one story which I will not tell that makes the point, I think, Senator.

Senator Grosart: I think I know the one you mean.

The Chairman: I am sure you do. I have Senator Hays and Senator Sparrow who wish to ask questions.

Senator Hays first.

Senator Hays: You said, Senator Grosart that you liked reading factual reporting and then you made a statement that most of what was opinionated reporting. Do you think there is room in Canada for a newspaper or part thereof where there will be real factual reporting?

Senator Grosart: Yes. If you mean would be a success, I would say I don't think so. It would probably depend on what comics was able to get and I mean that, that without this colouring I do not think a paper is going to be a success.

The *Globe and Mail* experiment is a very interesting one and I think a successful one. I have no doubt they have surveyed it from the point of view of readability and circulation. I do not know what they found but it certainly added a great deal to the prestige of the *Globe and Mail*.

Every morning you can see a bit of straight factual reporting and that is direct quotation from Hansard.

The Chairman: Do you mean the question section on page 7?

Senator Grosart: That is right.

Senator Hays: Do you think these are well read?

Senator Grosart: I would think it is very well read but I do not know, Senator.

I have no way of knowing it. I have not surveyed it. I used to survey the different things but right now I do not know.

I am sure it is one of the very important elements in giving the *Globe and Mail* the status it got recently in a world survey of newspapers. It was rated quite highly.

Senator Hays: Of course, you do get this in the financial page, pretty well factual reporting or statistics. The Stock Market is factual.

Senator Grosart: Yes.

Senator Hays: And this sort of thing and quite a few people read them and since we have started these hearings, I have made it a point to ask everybody I have an opportunity to speak to, if they read newspapers. I do not think I have spoken to a person that believes in newspapers today. Some things perhaps, but they take it pretty much with a grain of salt.

The reason I ask this is in your life-time, you have seen over one-third of the world lose the freedom of expression through the press. I do not know what the circumstances were before. Another three hundred million people lost it and were defeated where you had a completely controlled press.

The American people and the Canadian people are concerned about the credibility of the press and that is part of why we have these hearings and people are disturbed about this.

Am I just wondering if in your opinion there is a reason to have more factual reporting.

Senator Grosart: I think from an absolute idealistic point of view, yes. On the question of credibility I would like to put it this way. I would say if you asked a representative group of teenagers about the credibility or the accuracy that they are getting from their parents, you would find they would say "There is no credibility in this at all"; but this does not mean that their parents are not having an influence.

Now, it may be a lessening influence today—it obviously is...

Now, if you ask a group of people do they believe everything they read in the newspapers, they are going to say "No". The very question of credibility does not really give you what the impact of what they read in the newspaper is. That is why I think it is very high because the structure of the newspaper lends itself far more to credibility than the structure of television, not so much radio.

I mean, radio is sort of in between the two but you do not find in the newspaper large segments, pages and pages of presentation to the public, that anybody would tell you is resented by a large part of their audience but you do have this on television.

People who watch television would not be without a television set but are objecting all the time to the emphasis on violence—they are complaining about what it does to their kids. They are objecting to the over-emphasis on sex, to the very subtle—I was going to say "attacks"—it is an attack on the moral values of perhaps your generation and mine. Now, this in my opinion, and it is only my opinion—I have to emphasize that. I have not made any studies. I have read a good many, but I have not made any myself—does make a very great difference between the credibility and therefore the impact of a Canadian newspaper on the voting patterns of people and probably extending beyond that.

At the moment I am only talking about the credibility of people, you know.

Senator Hays: Somebody may say "Well, if he expresses thoughts it is a fact. You can believe it. It will not be coloured. It will be a fact." Another person might have a reputation and people say "Well, you cannot believe him. He colours it" or some fellow might deliberately lie about it.

Has the credibility of newspapers say from 30 or 40 years ago degenerated or is it better than it used to be or is it becoming more coloured?

Senator Grosart: I would think the credibility, again as an absolute comparison in time, is less today. What I am really speaking of is the comparative credibility and the more or less impact of a daily newspaper, and I would also include the weekly newspaper, of course, and television. I would think there has been a loss of credibility due perhaps to what seems to be a very great increase in opinion writing rather than fact writing.

Again I go back to my own days when most of the reporters were out there writing about facts.

The Chairman: Do you specifically in any way shape or form except the Canadian Press from these observations?

Senator Grosart: I would say that the Canadian Press is in rather a different position because the Canadian Press has a built-in stabilizer.

The Canadian Press reporter knows he is writing his piece, for a Conservatively inclined, a Liberally inclined and perhaps an NDP inclined press. He does not want his stuff rejected. He does not want somebody pointing to a footnote or Fraser McDougall saying well, "I don't want any more stuff from so and so", because it hurts him professionally.

I find, for example, in the public relations business, that of the newspaper fellows that would come in, by far the best were the CP reporters. They make the best PR men because they have been under this discipline.

Senator Hays: You are speaking of a pretty factual subject, are you?

Senator Grosart: That is right. All reporting, if you are going to use the word "reporting" in the sense I use it, is a fact. The other is comment. My objection is that I find personally too much of the reporting today is such a mixture of opinion and fact.

Senator Hays: Mr. Templeton was here. His opinion was that television would be No. 1 as far as credibility was concerned because the people say "Well, I saw it with my own eyes, you know".

When the first Conference in Ottawa was held, they watched it and they were interested but it is not long before it slips again because the reports we get are so opinionated.

I am wondering if in your opinion newspapers should be like the old *Christian Science Monitor* or some of these papers that said "That is the way I saw it. You can call it". We apparently do not have a Canadian newspaper that just has this sort of reputation in my opinion.

Senator Grosart: This is so and I think the reason is that it is generally agreed the *Christian Science Monitor* is one of the greatest newspapers in the world. In terms of a newspaper and so on, it probably has about

the lowest circulation but take the *New York Times*. Its circulation, I think, is about half a million.

The *New York News* has pictures, is very heavy on sex scandals and has one column—apart from Ed Sullivan and a gossip column—on the capital news—that is Washington. It has a column of local New York news and one of New York State news. That is the normal pattern. It has very objective reporting.

My opinion is that this is editorial policy. I say we have all this other stuff in there. Now to hold a certain audience we will give them the facts pretty cold in these columns and very often buy the *New York News*.

When I am in Toronto, I go over for lunch to Murray's which has a lot of people around there are people sort of looking at me askance because I am reading it. It is the *New York Morning Graphic* that finally came to be called "pornographic" but I sometimes get the feeling that I get a better window on the news once in awhile out of the *New York News* than I do from the *New York Times* because I get tired of reading the *New York Times*.

Even though I may be very much interested in fact, I can only read so much of Jimmy Reston and I give up after about paragraph eight of Jimmy Reston because he starts to pontificate and it is in depth reporting. He is a great reporter but eight paragraphs is enough. I feel I have got pretty well with Jimmy Reston wants to say and I will let him preach to somebody else for the rest.

Senator Hays: What is the most important part of a newspaper? Is it the dollar bill?

Senator Grosart: From whose point of view?

Senator Hays: From the publisher's point of view or from the owner's.

Senator Grosart: It depends on the publisher, I suppose. Dr. Roy Thomson seems to have made a ploy of insisting he is only interested in the dollar. I do not believe that of Roy Thomson. I think he has an intent ploy in the quality of his newspapers.

The dollar is important because from what I have been able to read, it is not the easiest thing in the world to keep a daily newspaper from going bankrupt. So the dollar has to be important. You have to stay in business.

But the same thing with a Member of Parliament. Criticize him all you like but

Somebody said "You cannot be a statesman unless you get elected". So you do not have a newspaper unless you watch the dollar and I think the two go together.

Depending on the size of a particular newspaper that is issued there is a match between quality and circulation.

The Chairman: Now, Senator, I hesitate to interrupt you but there are other Senators that wish to ask questions and there is another brief we are going to hear. We have scheduled that brief obviously too early for nine o'clock. It is now about eight minutes after nine and I would like to turn to that other brief presently.

Senator Sparrow and Senator Prowse have questions for you, Senator Grosart, and with your forbearance, I will let them ask their questions and then we will turn to the other brief.

I wonder if they could make their questions succinct and I wonder if you could make your answers succinct.

Senator Prowse: If you have any problems with time for the next brief, my question is not that important so I will forget it.

The Chairman: All right. Senator Sparrow?

Senator Sparrow: Just perhaps a quick question with a quick answer if it is possible. Whether you have had an opportunity of following our hearings so far might depend upon your answer to a degree.

With your experience in Ontario back to the 1930's in reporting in a period when there were a multitude of independently-owned newspapers and today we find that the newspapers and news media of different forms are owned by groups and chains—some with interlocking ownerships and some owners having more than one type of media and so on. Do you from your experiences see a danger in this growth in the group? Is there a danger and would you have any recommendations in regards to that danger, if there is a danger?

Senator Grosart: I think it is it is fairly obvious that the ideal situation is at least two competing papers in every major city or every major daily paper area, if you can have it and each independently owned, preferably in that area.

When you are getting a report in total. You are getting a report of the constituencies around the country. You can look at these papers in total. You have a pretty fair idea of

the playback of public opinion because these papers are going to stay fairly close to public opinion.

When you have a chain the danger is, as in any kind of bigness, conglomerates or monopoly. There is always a danger there but it is not necessarily bad in my view.

It must be a very, very hard thing—let us say—to be in the position of directing policy of let us say 10 papers, to be interested in politics, to have that power and not use it.

The impression I get from reading your hearings is that either these publishers have done a beautiful snow job on the Committee or there is not very much danger.

I do not know which the answer is.

Senator Prowse: Maybe we don't believe them.

Senator Grosart: This is maybe so. I am just now taking the reports of the evidence as I heard it. They certainly have insisted that they never, never, never, ever heard of a case. The impression I got was that they never heard of a case of an attempt by the publisher to influence anything in the paper. Well, I do not believe that because anybody that has been around Ottawa knows, on a half a dozen occasions, of Press Gallery men who have quit on that very point, that they objected to their copy being changed when it got to the editorial desk, wherever it was.

It is too much to believe of human nature that in certain cases the publisher will not, one way or another, influence the news.

If a publisher of a newspaper was arrested for drunk driving, I think you might almost be entitled to say "At least wait until I am found guilty before you publish it". You might have a very different view to that than you would have through the normal dissemination of news.

If I may say this in conclusion. The one worry I have about the freedom of the press is its freedom to report the worst.

To put it in crude terms if tomorrow some young girl around here were to lay a charge against anybody in this room of rape...

Senator Prowse: Nobody would believe her.

Senator Grosart: The papers would report it and it would be a great story.

Senator Sparrow: Would you say "attempted"?

Senator Grosart: They may believe it or not. "Senator accused of rape". But you would have a difficult time to live that down.

Senator Prowse: Think what it would do for the Senate.

Senator Grosart: This is a real worry I have.

The Chairman: My worry is that that will be the lead in tomorrow's story.

Senator Grosart: No. This, to me, is the matter of real concern.

The Chairman: I take your point.

Senator Grosart: This becomes a matter of real concern. This has been so all over the world and in particular in Britain. They have tried to tackle this in the various legislative devices to say "You cannot report evidence until a certain point".

I do not see why most of the publishers object to the idea of a Press Council in Canada. I think it would be a good thing to have a Press Council because I think that the newspaper business is no less in need of continuing social control than any other aspect of the private enterprise system, in which I believe.

The Chairman: Thank you very much, Senator Grosart.

Senator McElman: Mr. Chairman, I think there is one very important question, Senator Grosart could give us a valuable opinion on and I think it should be asked.

What is your view, Senator, of the current discussion of whether Parliament itself should be televised, let us say, the question period. Let us take that as a starting point.

The Chairman: Senator McElman, with great respect I think that could lead into quite a lengthy answer.

I agree that Senator Grosart's opinion would be valuable but it is not a matter which really this Committee has been examining up until now. I am wondering if we really want to get into it tonight.

Senator Prowse: I do not know whether the Committee should get into it at all.

The Chairman: I think with great respect, Senator McElman, we should leave that at least over until another time.

Senator Grosart: I will give you my answer.

The Chairman: Please go ahead.

Senator Grosart: I think it would be great because we would have better attendance and less speeches read.

The Chairman: Is that satisfactory, Senator McElman?

Senator McElman: Yes.

The Chairman: Thank you very much, Senator Grosart, on behalf of the Committee. We are most grateful. It is obvious from the interest you have engendered we could have kept you here till midnight. I am sorry we cannot schedule you for longer. Perhaps we can ask you to come back again.

We are looking forward to hearing from the next witness and that is Professor Beattie who is here. Would he come forward please?

Honourable Senators, I think we might perhaps turn to our next discussion and that is with Professor Earle Beattie whom I have insisted upon several occasions elevating to the Dean of Journalism. I understand you are a professor of Journalism. Those Senators who have studied the biography in the book will realize that Professor Beattie has a wide background in just about every phase of journalism.

He has worked in a great many regions and areas of Canada.

Now, Professor Beattie, the brief which you were kind enough to prepare for us did not reach us until about early this week. So what it has been mimeographed and circulated. I must say I am not sure of the extent to which the Senators have given it the study which it deserves.

However, I have gone through as best I can and I am sure we will have questions for you.

Would you care to make an oral statement to begin with or would you prefer to proceed with our questioning.

Professor Earle J. Beattie, Professor of Journalism, University of Western Ontario, London, Ontario: I do have an oral statement.

The Chairman: Then by all means please present it.

Professor Beattie: I will try to confine it. I am allowed 15 minutes, am I not?

The Chairman: Yes. Perhaps you could bring out the main points. You carry right on. Go ahead.

Professor Beattie: Well, Mr. Chairman and Senators and Members of the public who are here, it is a pleasure to speak to the Upper House and I applaud the decision to set up a Senate Committee on Mass Media because I think it is long overdue.

Mr. Chairman, because you make that occasional announcement, I do not regard this as a court of law.

The Chairman: Good.

Professor Beattie: I think if some publishers do so, they have been watching Perry Mason on television too long and I am going to speak about the American influence on Mass Media a little later.

Topic one of the guidelines says "Define your own Position". I think the Chairman has said that I have worked in the media generally that is in newspapers, radio, television and film magazines. In 1949 I took over the journalism department at Ryerson Institute and taught there for five years. Then I did a stint of public relations and came to my present position in 1958. I am now Professor of Journalism at the University of Western Ontario in London.

Now, as regard the brief itself, the first section is on ownership and control of the media in London as it relates to performance. To illustrate, I have taken the "John Dickins case." You heard about the "John Dickins case" last Wednesday night at about exactly the time.

In my opinion John Dickins was put off the "Gen Line" program of CFPL because he did express opinions on social issues that the management of the Free Press Company did not like. He represented the voice of dissent and I would say perhaps the voice of news or dissenting views at any rate on the air waves in London; and as such I think that he was fulfilling Section 2D of the Broadcasting Act which does ask for different views on matters of public concern.

These issues are outlined on pages 2, 3 and 4 in my brief and just to summarize them—John Dickins called "a travesty of justice" the jailing and fining of 17 young people in London. He voiced approval of a demonstration near Sarnia which was a demonstration against the detonation of an atom bomb in the Aleutian Islands.

He criticized London judges for automatic sentencing—to use an expression—"hit-offenders—shop-lifters."

He criticized the *Free Press* itself for not running an ad by a well known local plumber by the name of Bob Paton. He opposed the Ontario Government's OHSIP program and its Tax Debate Plan. He spoke of the hazards of cigarette smoking, along with other issues.

Now, in handling the John Dickins story, none of the Free Press Company's spokesmen—that is for CFPL Radio, both AM and FM, CFPL-TV or the *Free Press* Newspaper, either the morning or afternoon edition,—provided what I would call a believable reason for the non-renewal of Dickins' contract.

They had printed a cut line on a page 1 picture October 16th last, which is one of my exhibits. That is Exhibit 3 and the cut line said that he will devote more time to development of the National Institute of Broadcasting. Now, the Free Press spokesmen—and I have talked to people in the Free Press and to John Dickins—say they could not reach John for comment before their deadline, but in my opinion this does not justify the use of a misleading cut line.

They well knew that John had left in protest and not just to get more time for his one man radio school. The same day when another man took over Dickins' former program, no mention was made of the change and CFPL radio news carried substantially the same story as that of the *Free Press*; the editor again claiming he could not reach John for a statement.

However, after Dickins aired his views on CKSL and CJOE they did manage to reach him and carried his views—that is in Exhibit 4—but again no official statement was ever given or has been given to this day as to why John was put off the air.

I think it should be pointed out that insofar as John Dickins did get his views aired on two rival radio stations in London that his reference to the Blackburn news monopoly cannot be fully sustained. Monopoly really means exclusive control of the market. It is however a quasi-monopoly having the lion's share of the London market. Perhaps it could be described as "an overwhelming dominance of the market".

On October 22 the *Free Press* published a letter to the editor by John Dickins and that is Exhibit 1. That letter was greatly edited. I have the original letter as Exhibit 2 and I have indicated by underlining the parts that were taken out. It will be noted that five of

the nine social issues which Dickens said were unpopular with CFPL management were removed from the *Free Press* letter and that is in my brief.

Page 2, 3 and 4 are point 6, 7, 8 and 9. The editor's note at the end of the published Exhibit 1, that he had edited for the sake of brevity and possible libel seems to me a specious argument. In my opinion he simply took out portions that would have been embarrassing to the company.

The John Dickens charge that there was suppression and distortion seems to be born out by the exhibits.

In preparing my brief, incidentally, I omitted another rather interesting letter. On October 23 John Dickens wrote a second letter to the editor protesting the handling of the first letter and this he submitted personally to Mr. Heine, the editor. This letter was never published. Mr. Heine has claimed that all letters to the editor are published except those that are in the crank category but I cannot see how John's letter could be in that category.

My conclusion to the Dickens case is that where there is a local combination of media under one ownership, as in London, there can be a closing of ranks to suppress or distort information especially when that publication itself is under attack and that means manipulating news and comment in the interest of the company rather than providing what the Hutchins Commission back in 1947 called "a truthful, comprehensive account of the day's events."

Other criteria than this of the market place must be applied in mass media or programming will be only for the majority because that is where the sales potential of an advertised product is at its highest.

Many opinions must be aired that are reflective of minority views and media must lead a little. It must become educated to some degree. On pages 9 to 12 of my brief I discussed the manner in which the *Free Press* puts down any demonstration in the streets of our fair city.

I note a similarity between the story of December 14, 1968 and one published this last December 13, 1969 on the Viet Nam war moratorium. This is almost a year later. The first one was a demonstration against the California grape growers and was headed "Only 23 heed labour call for mass grape pickets". That is Exhibit 5.

In my opinion there is a negative bias throughout the story starting with the word "Only" in the head and continuing with such phrases as "40 minutes late" and in the sentence "In silence 23 pickets straggled single file through the market's northeast entrance. It was over in two minutes and fewer than half the customers or stand operators even saw it".

The second half of this story is a reprint of material from a booklet published by the California Grape Growers Organization and this is known as balance in reporting. Not biased in the first half and a propaganda piece in the second half. The words "straggled" is what Sam Hayakawa, the semanticist would call a snarl word rather than a peevish word.

In the handling of the Viet Nam war moratorium story, the *Free Press* reporter took no time in getting to that word "straggled". This is Exhibit 6. The lead paragraph reads "A straggle of 147 protesters against sun wars and ideologies staged a quiet one-hour march in downtown London today".

Later in the story "As the group straggled by the sidewalk to St. Peter's Basilica a middle aged woman with an eastern European accent called out "God bless Nixon".

They always seem to find some little old lady that gives them the exact right quote they want. If they do not find a little old lady then it is a little old man who marches out of the park saying "One of those damned communists". He may be real. He may be a product of the imagination, I do not know, but he always seems to be in the story.

Again we read in this story "Few people saw this parade". As Walter Lippman put it "For the most part we do not first see the parade then define. We define first and then see the parade." It seems to me that the reporter brings preconception to a story and brings in this case editorial opinions into the story.

I think the *Free Press* has got into serious rut about this that when one group demonstrates against both the invasion of Czechoslovakia and the American role in Viet Nam, it was left speechless. It was so baffled that it carried no story at all, just a picture and the *Free Press* did refuse to carry the advance notices that were sent in to the editor on that occasion.

Their argument seems to be that advance notices help recruit demonstrators but that solid citizens hold a protest meeting of their own sort, like the one on Finance Minister

on's White Paper on taxation quite recently, here was advance notice. This of course is an eminently respectable issue, money.

I wrote a letter to the publisher criticizing the moratorium story and did not get a reply. Any criticism of the media seems to draw either of two reactions, self-righteous anger or silence. It seems some editors suffer from some sort of ancient guilt that makes them over-sensitive to criticism. They seem to conceive of themselves as sort of knights in search of the Holy Grail who are suddenly accused of rape.

Exhibit 7 and 8 concern bias in the play of labour story. Exhibit 8 and 10 illustrate the bias in the handling of a CBC story and Exhibit 11A and 11B illustrate to my mind bias in the handling of a strike lock-out of brewery workers, struggling manfully to get into the twentieth century.

Today it allows outside columnists to enter the sacred precincts of its pages. At one time it seems the *Free Press* was trying to conduct a closed society in London. One of the outside columnists is Charles Lynch of the Southam News Service. His presence there is due either to the merit of his column or the fact that Southam has a 25 per cent interest in the *Free Press*.

About a year ago the *Free Press* took *Weekend* magazine out of its Saturday paper and substituted *The Canadian*. Now, this was not really a question, to my mind, as to whether the readers preferred one over the other but one of corporate linkage, as *The Canadian* was owned by Southam and the *Toronto Star*, under the name of South-Star.

I do not want to give the impression that the *Free Press* stands alone on some of these questionable media practices. It has company. On pages 16, 17 and 18 of my brief I refer to the *Toronto Telegram* coverage of the Ontario provincial election of 1967. A survey done by one of our journalism students shows that from October 10 to October 17 that year the space devoted to the three parties was P.C.'s 19 column inches. New Democrats 585 column inches and Liberals 446 column inches.

Now, when we applied a semantic scale to the stories and the heads on the basis of favourable, neutral and unfavourable material the scores worked out this way. Conservatives—1,873—that is more than double its column inches, the Liberals—39, and the DP—minus 916.

There is more detail in the brief itself. It is a rather complicated process but it is a qualitative analysis and there is a certain amount of subjectivity involved in making that kind of analysis. But as I say, you get more detail from the brief itself.

On pages 18 to 21 of the brief you will find material on the disappearing dailies and development of chains. In 1911 Canada had 143 dailies when the population was 3,272,000. Today with somewhat more than six times that population it has 114 dailies at my last count and half of these are part of the six newspaper chains. This concentration is much greater in Canada than in the United States. That is, on a circulation percentage basis.

The largest U.S. chain, the *Chicago Tribune* group, holds only six per cent of the total circulation of all U.S. dailies and that compares with 18.5 per cent held by the F.P. Publications in Canada of total Canadian circulation.

In other words three times as large as the largest chain in the States.

Nobody in the United States has played the game of newspaper monopoly as efficiently as K.C. Irving who has set up all the dailies in one province, New Brunswick. There is no newspaper owner or chain owner in the United States who has an entire state like this.

To sum up the ownership and control question: six groups own about half the dailies in Canada and command more than half the circulation.

I have more detail about this in an appended article I wrote for the *Gazette*, *International Journal on the Sciences of the Press*, which was published in Amsterdam. That is Exhibit 12.

When some of these chains hold corporate and media interest in radio and television and magazines, questions must be raised concerning the concentration of power in a few hands with possible effects on free speech. Centralization also makes it difficult for new papers to start up and independently owned papers to survive the chain competition.

On page 22 of the brief I point out the dilemma of the print media being privately owned but expected to act like public utilities. I think the public has a right to accurate, truthful information and diversity of viewpoints in their paper as they pay the full shot. They pay this through their subscriptions or buying street sales and actually by buying the

products that are advertised in the paper. The cost of that advertising is put in the price of the product, of course.

Parliament and government as the custodians of civil liberties also have a right. The sale of information and comment affecting public opinion in a democracy cannot be treated like the sale of corn flakes and yet it seems to me that the government does little or nothing to assist the print media financially or to help create competing papers.

Perhaps a public corporation like the CBC could produce a national newspaper. In the meantime I believe a press council or media council could be created to serve the public and to serve the media themselves.

On page 24 I point out that 10 nations of the world now have such Press Councils and I list their objectives.

A research foundation with public education would be vital to this as many people do use media as a scapegoat and have a narcissistic complex. They expect the media to reflect back only their own images of reality.

We really have not had very much study in connection with media in Canada. I think that the founding of a picture in media study in Canada was Carlton McNaught's "Canada gets the news" published in 1940. Scholarly books have been few in particular. There has been Wilfrid Kesterson's "History of the press" published only two years ago. There has been "Mass Media in Canada" a collection of essays and there has been "The Vertical Mosaic" by John Porter. There have been, of course, many articles in newspapers and magazines and so on.

In the United States this kind of study has been going on for 30 years and I think the research function would be an important part of any Press Council.

I deal in the next section with advertising and I conclude with a comment that the eight and nine columns draw sheets of daily papers are really made to accommodate the ads and not the reader. McLuhan once quipped that a newspaper is not something to read. It is something you get into. And I think it is something you get ads into.

I really think that the information and comment can be better packaged and this would mean tabloid or quarto size. I think its contents could be organized by computer in categories, pretty much like a news magazine so that you could find the news. Today the news is lost in the ads. You do have broad

categories like sports and women's news and business news and sometimes local news pages.

Display ads like classified ads could be grouped at the back of the paper as in the yellow pages of the phone book.

Now,...

The Chairman: Professor Beattie, I am wondering before you go on I would point out now, sir, you have been speaking for about 30 minutes. I am sure you did not realize that and neither we because it was so interesting but I am anxious to turn to the questioning.

How much longer do you think you will need to finish your comment?

Professor Beattie: I have three pages here. can probably summarize them.

The Chairman: I would be grateful if you could, sir. I do not mean to be rude...

Professor Beattie: I am used to talking to classes of students for an hour or even two hours at a time and 15 minutes is quite a restriction.

In this latter part I am just calling for more Canadian correspondents abroad. I do not think the Canadian Press is putting enough people in the field. Individual newspapers like the *Montreal Star* or the *Toronto Star* or the *Toronto Telegram* who are putting correspondents in the field, of course, are helping but I wonder why they do not put that money into Canadian Press, because you do get a lot of American bias on our news service—certainly carried over in connection with Vietnam and anywhere American foreign policy is involved.

I ask here for more of that and a survey conducted amongst freshmen students across the country a couple of years ago showed these students knew American figures more than they knew Canadian figures.

For instance, Lyndon Johnson was better known than Lester Pearson. Robert McNamara was identified by three-quarters of the students and only 65 per cent knew Peter Hellyer, knew his position.

This kind of information is growing and I think our opinion is being formed south of the border because of the news wire service and because of a lot of syndicated material that appears in the paper.

God knows what damage Little Orphan Annie has done to this country. We have 1

the comic strips. We have Ann Landers and on. I think we can generate this locally.

Let me end it all by saying I think the schools could do a lot, that there could be media education in high schools. We at our university at Western are attempting to educate journalists. I think we are turning out a good calibre of students and we are trying to educate them not only for today but for tomorrow because we are facing the electronic newspaper and perhaps the delivery of all news electronically on cable TV that will be delivered on screens and by print-outs though a kind of facsimile.

This is a summary of the brief.

The Chairman: Thank you very much. I did not mean to hurry you at the end, Professor Beattie. I think the questions this evening will begin with Senator Prowse.

Senator Prowse: Professor Beattie, the John Dickins case facts were set out completely here previously. We have one side and we have also had the other and because of the likeness and the fact that we are not a court to decide these things anyway, I do not know if we need to go too far into that again.

I think the point has been made and if I understand your point correctly it is that the only newspaper and the major radio station were owned by the same person and you feel that Dickins was not given a full or fair opportunity to air his complaint and that these two units did not give it the play that you would expect that they would have given as a matter of the importance that you think it is.

Professor Beattie: I think these units of the *Free Press* distorted the story of one of their own, so to speak and that concerned a story, that was really a cut line, with a picture on him leaving their services because he wanted to develop his school.

I think that would be a distortion of information and then the radio station, which they also own, carried pretty much the same story.

The TV station carried nothing whatsoever and so when you get a local combination like that you get what I call a closing of ranks on that kind of story.

We do not know just how many times they might do that on something else. There is a certain danger in this kind of combination.

I did say however, you cannot really call it a monopoly in London because John did get on a rival radio station with his comment.

Senator Prowse: And the Toronto papers which did carry the story on it, come into the area too, do they not?

Professor Beattie: Yes. *The Globe and Mail* sells the highest in London. I think the combined circulation of all papers coming into London is around six thousand. That was in the *Free Press* presentation last week.

The Globe and Mail is the leader.

The Chairman: It is around six thousand, I believe.

Senator Prowse: I thought it was 16,000. The thing I wondered about this is: if Dickins was doing such a good job, why did not one of the other radio stations grab him up?

Professor Beattie: Well, they did.

Senator Prowse: Is he working for one of them now?

Professor Beattie: He is now the manager of CJOE, a rival station.

Senator Prowse: Is he still running his hotline program?

Professor Beattie: He has opened up what he calls "Action Line" now for another station.

Senator Prowse: So the story has a happy ending then?

Professor Beattie: For him it does, yes.

Senator Prowse: And for the people of London. They now have a chance if they want to listen to him. Is he doing the same thing in his new capacity that he was doing before?

Professor Beattie: It seems to be pretty much the same thing as he was doing before, yes.

Senator Prowse: Now, in reading your brief, you have complained about the mass pickets was that you suggest on page 5—I think—. Is the exhibit of the grape pickers?

Professor Beattie: I think you have gone beyond 5 on that.

The Chairman: Exhibit No. 3 is the grape pickers.

Senator Prowse: It is page 9. My note says "the grapes of wrath," that is the way I have it written down.

Professor Beattie: Yes.

Senator Prowse: Your objection here is that you say the story is not as objectively written as it should be. Is that correct?

Professor Beattie: I think that it is a put-down and it shows the same kind of language used in another demonstration later. You get one of the words "straggle". You get "nobody saw"—"A few people saw", I should say, and words to that effect.

Senator Prowse: Well, this brings us, I think there is a good chance to examine the thing called "objectivity". Are there any of these statements untrue or any of these words incorrect descriptions of what happened?

Were you at the protest meeting yourself, by any chance?

Professor Beattie: Not at the grape-pickers meeting but I was at the second one which was the Moratorium.

Senator Prowse: The Viet Nam one. Let us deal with this one first. Let us take the Viet Nam one. Was there anything in the description of the Viet Nam one which is incorrect in itself?

I am not trying to cross-examine you. I am trying to establish the fact.

Professor Beattie: That is fine. We are on page 10 now. I say "A straggle of 147". In the first place—well, I suppose you have to allow a reporter some figure of speech but "A straggle" is a put-down word. Why "A straggle of protesters"? You know why not "A group" or something like that in referring to . . .

Senator Prowse: Is that a word out of *Time* magazine, maybe?

Professor Beattie: I think it is a negative word.

Senator Prowse: It is a kind of word that *Time* magazine would use, is it not?

Professor Beattie: It is what Hayakawa would call a snarly word which is one of those types of words.

Senator Prowse: It is a pretty descriptive word.

Professor Beattie: It is not an accurate word.

Senator Prowse: If you have a group that is not marching in lines like a platoon or an

army parade, all set up in lines, I would think that they would be fairly descriptive.

Perhaps you do not like it but is it not possible that a person might write that word thinking it was just a good descriptive word of a group that was an unorganized group of people coming down without bothering to line themselves up.

Professor Beattie: I say it has been used in two stories in connection with demonstration but you do not see it anywhere else.

If the businessmen, when they were criticizing Mr. Benson, walked into a hall in small groups, they would not be called "A straggle" so you use this kind of semantics for a demonstration but you do not use it for something you favour.

In *Time* as well, if *Time* likes a man "strides into the room and shakes hands firmly with the President". If they do not like him "He shuffles into the room" and that is what I am getting at here.

Senator Prowse: Nobody ever walks in?

Professor Beattie: The neutral connotation would be to walk, yes.

Senator Prowse: In other words you are suggesting that this would be a very subtle kind of bias really?

Professor Beattie: Subtle or semantic bias, yes.

Senator Prowse: Now, with the Viet Nam war, they did report it?

Professor Beattie: They did report it, yes.

Senator Prowse: And now the fact that there were 23 pickets who came out; a group of 23 people came to protest. What is the population of London?

Professor Beattie: Well, my figure for the population of London is 120,000 but the *Free Press* last week gave it somewhere around 180,000.

The Chairman: The *Free Press* said 180,000. I phoned the municipal office and they said it was 209,000.

Professor Beattie: I am sorry. I meant 200,000 not 120,000. My figure was 220,000.

The Chairman: His figure in his brief was 180,000. My figure is 209,000.

Senator Prowse: Well, 23 people would not be very many people.

Professor Beattie: No, that is true.

Senator Prowse: What I am thinking of is come from Edmonton and if I only got 23 people out to a political meeting I wouldn't get very much space in the paper and I certainly would not get a picture in it. The fact that they got that much space can hardly be the basis for an allegation of bias or a suppression of news.

Professor Beattie: Well, in a way it would be better to have no space at all. If all the mention you get is in the *Toronto Telegram*, certainly it is a sort of a negative situation whereas the NDP ends up with a minus 916 that count. Perhaps they would have been better out of the paper altogether.

Senator Prowse: Of course, again, you see, the figure of 916—I do not want to put you down—but you admit that this is a very arbitrary semantic weighing. That has just been taken by this person and has not in my opinion been approved or adopted by anybody else, has it?

Professor Beattie: Semantic studies have often used.

Senator Prowse: Who establishes we will multiply it by five for this and one for that and by minus one for that? Who establishes that weighing?

Professor Beattie: My students. My fourth year student who studied in consultation with me. We set up a role but you see it all applies to all parties.

Senator Prowse: I know, but here you want to get this measurement and you had your own yardstick and nobody else used that same kind of ruler. Is that not true?

Professor Beattie: It doesn't really matter what kind of ruler you use as long as you use the same ruler on each party.

Senator Prowse: I used to play chess with my son but I quit because he kept setting the rules and the rules were the same for all of us except he would make them after the play.

The Chairman: I think at this point I should say, Senator, I am sure it is not your intention to quarrel with the academic integrity of that paper?

Senator Prowse: No.

The Chairman: I mean, the witness has brought these figures forward in good faith. I

think the point Senator Prowse is making, if I can interpret him, is he is wondering if there wasn't some bias built into these statistics and I think in making that point, Senator, you should be careful you are not questioning the integrity of the witness in bringing that information to us.

Senator Prowse: No, I am not questioning anybody's integrity. I will make that perfectly clear.

The Chairman: Quite.

Senator Prowse: What I am doing I am wondering about the accuracy of this form of measurement or the validity of it. It has nothing to do with anybody's integrity.

The Chairman: Is it a valid technique?

Professor Beattie: I think many people in communications studies would say it is valid and others would say it is not valid.

All I would say and I did say it is open to subjectivity. It is not a 100 per cent precise measurement.

Senator Prowse: You cannot be precise, can you? Well, so far as we know there is no way anybody can.

Professor Beattie: I do not think you can, especially when you are dealing with words. You are trying to define what is neutral or what is favourable or unfavourable. You have a word like "policeman". You can say it is either a neutral or a favourable word but if this policeman is called a "pig" that is an unfavourable word to my mind and can be categorized that way.

Senator Prowse: I think it would be generally agreed it was. Now, the point I was getting at is this: you can establish by a series of views, evidence that would seem to indicate that there has been a great deal of bias in reporting news to the large majority of people in the London area. Is that a fair statement?

Professor Beattie: I would not go that far.

The Chairman: Before we go ahead I want to make sure Senator Prowse and Senators and all others understand that the survey you are talking about was not one made in London, it was in Toronto.

Professor Beattie: Certainly.

The Chairman: It was an election survey.

Senator Prowse: Yes, but I am talking about London because he has used this to illustrate. You cannot just arbitrarily take a figure.

The Chairman: I did not want anybody to be confused.

Senator Prowse: To go quickly over it, the point I am trying to get at is this. You have heard Senator Grosart earlier. You have heard other people; and you also have read and we have heard people say that newspapers strive for objectivity; but at every side of the reporting process, it starts with a selection of facts, and then an interpretation of the facts and I think you even make the point in here somewhere, the question is: to tell the truth about the truth about the facts.

Professor Beattie: Yes.

Senator Prowse: In other words have you got any suggestions as to how anybody is going to ensure that there can be complete objectivity in the reporting of news by any of the media?

Professor Beattie: There can never be complete objectivity. There is no such thing as facts except you might say there are first-order facts, but a fact consists of a context in which that fact appears and you remove that context and no fact will really stand up on its own.

It is a question of abstraction. We can say that this table is so long but who says whether this table is a beautiful table or not? Is that a fact or not? It is just a question of opinion.

You get very quickly from facts to opinion. We think first—as you mentioned—the selection of facts. You select those facts that are favourable to your case if you really want to make a case. You reject those facts that are not. In that way *Time* magazine has so fooled the people into believing these are the facts.

In the first place, you can never collect all the facts. You must make a selection of information as a sub-set of data. You cannot get all the information on any situation so you see those facts in all the situations.

To answer your question, sir, I believe that a reporter should strive for objectivity knowing that he...

Senator Prowse: Will fall short?

Professor Beattie: ...is perhaps conditioned by his environment. He should strive for balance and objectivity to the greatest degree.

Senator Prowse: We have had witnesses who have come and put two propositions to us. Some of them said, "We insist on complete objective reporting of the facts" and then they tried to separate the facts and opinion. We have other people like John Bassett who says the name of the game is responsibility. People know the *Telegram* is published by John Bassett and that John Bassett is responsible for what is in there, and if they do not like what is in there, they know I publish so they can make allowances.

Now, of the two, the person who strives for the impossible and ends up with something imperfect and the fellow who says, "It is impossible to be perfect but this is my version," which one, in your opinion, better serves the public interest? The devil you know or the devil you do not know?

Professor Beattie: I would rather the devil you can see if I had to make a choice, because I think that if a reporter or a writer puts a byline on a story, and the more bylines the better, and says, "I see the situation this way", you can read that report and you know who sends it, or at least you have got an idea about who sends it to you, and you know that this is in fact the way he looked at the situation.

We represent as a fact many things that are really not facts.

Senator Prowse: Let us take another one. You have suggested the papers might be put together and have more Canadian foreign correspondents overseas.

Senator McElman: Excuse me. May I have a supplementary on the former question?

The Chairman: Yes, go ahead.

Senator McElman: On this matter of facts and objectivity in the case of Dickins, without going into all the details—you know Mr. Dickins, do you?

Professor Beattie: Yes.

Senator McElman: You have talked with him.

Professor Beattie: I met him the week before I came up here. I interviewed him in this case. I interviewed people in the *Leam Press*.

Senator McElman: Your brief says you have dealt with him at some length.

Professor Beattie: Yes.

Senator McElman: Did you also interview Mr. Blackburn and Mr. Heine?

Professor Beattie: I talked to Mr. Blackburn in London.

Senator McElman: In this particular case?

Professor Beattie: Yes. And I talked to Mr. Hugh Bremner, who is the news editor of the radio station, and I talked to one editor of the radio station on this issue.

Senator McElman: Did you talk to Mr. Heine himself, the one who dealt with this, I believe, from the information we have.

The Chairman: Where did he deal with it?

Senator McElman: Was he not involved in the *Free Press* end of it?

The Chairman: In the *Free Press* end of it, yes; I am sorry. Murray Brown on the broadcasting side and Mr. Heine on the *Free Press*.

Professor Beattie: I did not talk to Mr. Heine, no. This was a radio station matter. I could have talked to Mr. Heine about the publication of that letter perhaps, but I did not.

Senator McElman: Did you talk with Mr. Brown?

Professor Beattie: No, I did not talk to Mr. Brown.

Senator McElman: Would your answer to these questions not fall into the category of what we have just been discussing, the presentation of all the facts from the sources available?

Professor Beattie: I think having talked to Blackburn himself and Hugh Bremner, the news editor, and Ron Laidlaw the TV editor, and Gord Whitehead, another news editor, this is about as far as I could go in getting the facts—

Senator McElman: You did not think that Mr. Brown and Mr. Heine could have given you information? It would have been useful to discuss it with them since they were, from the standpoint of the broadcasting unit which was involved and the news editor which was reputedly very deeply involved in not properly handling the story, these are the people responsible, are they not, in each case?

Mr. Heine is responsible on the newspaper and Mr. Brown is responsible on the broadcasting side.

Professor Beattie: I think the two letters speak for themselves; the letter that he submitted and the edited version of the letter and Bill Heine—I was here last Wednesday night when he did make a statement on this and heard that statement, and when Mr. Brown made a statement, and said John was not performing satisfactorily. He gave an opinion without facts. I took a note of this.

Senator McElman: Yes, but was your brief not prepared in advance of that?

Professor Beattie: Yes, it was.

Senator McElman: Well, I am getting back to my basic question. Do you not think it would have been useful to a consideration of the whole discussion or the whole problem, if you will, that the two members, the ones basically responsible for the publication of the newspaper and the management of the radio station—the man who did not renew the contract—would your discussion with them not have been germane to the whole issue in getting a balance, fully factual?

Professor Beattie: Well, I think having talked to Walter Blackburn himself and he is the man over the whole show there, and the radio people and the TV editor, I was just about covering the field. I could have gone on but there is a limit to the amount of time in interviewing I can do for this brief.

Senator Prowse: Now, on page 32 you talk about Canadian foreign correspondents, and then you go on on the next pages and you deal very impressively and very convincingly with the difficulties that are presented to Canadians by the fact we do not have more foreign correspondents abroad. You suggest that the papers perhaps should do more.

In view of the fact that we have figures that it costs probably a minimum of \$35,000 a year in order to maintain one man abroad—almost anywhere—by the time you figure his salary and travelling expenses, and then to find a man who can speak the language of that particular country and who can get some background on it—I would think this would probably be the minimum figure.

Do you think it would be practical for many more papers outside the big metropoli-

tan dailies, who are doing some of this now—to be sending out their own correspondents abroad?

Professor Beattie: No. I would favour the Canadian Press as the CP has 103 newspapers and the CP is the best agency for that, and a pooling of their resources.

If Mr. Bassett would put up money for the Canadian Press all the people of Canada would get the benefit through all the papers, not only the *Telegram*.

If other firms could do the same, if the *Toronto Star* did the same, I think we could probably field a dozen correspondents.

Senator Prowse: They have been asked this question. Their general attitude is they have been trying to sell the services to other papers in other parts of the country. The Southam service goes to all their papers. Thomson, I do not think makes any attempt at that. The *Globe and Mail* does it and then they make it available to anybody that wants to buy it. It is in the FP group.

Then they usually have services involved, the *Montreal Star* has its Worldwide service, which is available for any paper that wants to buy it. And they have said the trouble is nobody wants to share the expenses with them.

Professor Beattie: It seems to me you have a fragmented situation there where the *Star* can only afford, say, two or three correspondents abroad, whatever they have. They can only cover three capitals of the world. If they put that money into the CP pool, there would be three. The *Globe* would be another three. The *Toronto Star* some more. You could cover a dozen capitals.

Senator Prowse: But the CP now does provide services. They have men in these main places. They serve these main places with their men. From their New York office they have services of all the major international news agencies.

Professor Beattie: Oh, yes.

Senator Prowse: Reuters, Agence France-Presse, UPI, and Associated Press; and they bring it in that way.

Now, we are getting a choice. We are getting somebody else's opinion—at least it has filtered through presumably Canadian editors.

Professor Beattie: Well, it is just filtered and no more. The men who sit at the New

York desk for CP or the London desk for CP are only able to process the copy. They cannot check back and relate back to the source of this, you see, and they do not have many foreign correspondents as such in the field who get news at the source. They had a Moscow correspondent. He has been withdrawn. They now have a Paris correspondent. I think they have one or two in Washington. But as far as I know they have only got probably three foreign correspondents now in the field.

Senator Prowse: It is the same thing with the CBC. They have agents or stringers or somebody out there.

Professor Beattie: The CBC is bigger than the CP in terms of foreign correspondent. They must have about seven men in the field regularly and this is the largest Canadian foreign correspondents corps.

Senator Prowse: Now, another thing that worries me about foreign news—let us take the Biafra story. That was referred to here earlier today. There have been a lot of reporters that have been sent over to Biafra and have you seen any two stories that look the same?

Professor Beattie: I cannot say I have, no. I think they all take a different look at the situation.

Senator Prowse: And if we did have a single one doing it, the complaint we have had about CP is, because it has to serve 100 newspapers, they just come down to the bare bones, and although they have made a great improvement, we are told, it still tends to be a relatively dull reporting of the news.

What will we get if we had something like that? We may be worse off than we are today.

Professor Beattie: Personally, I think if you compare the dullness of C.P. against the colour stories that you see on foreign situations, if you want colour, you have to go to Gordon Sinclair and the *Llama* in India and that is colour, but just how accurate and meaningful is it?

Senator Prowse: If he stumbled on a fact it would be pure accident.

Professor Beattie: No. I think the lesser of two evils is this: as between colour and a sort of neutrality of the CP.

I would like to see more neutral writing but you had a dozen Canadian Press correspondents in that field it would not prevent the Toronto Star from sending a man into a really big situation that they think that requires for themselves alone.

Senator Prowse: But the metropolitan dailies are not going to pay the whole shot of getting out a CP man to completely duplicate a service they are already providing for their own readers. That would be for the use of their competitors; that is not practical.

Professor Beattie: I suppose not. I suppose they sort of look after their own interests first. If CP is supposed to be a co-operative news agency.

Senator Prowse: Now, the next situation from a practical point of view is the one you suggest. You suggest maybe we could have a national newspaper set up by the Government along the lines of the CBC.

In view of the fact that the government of the day, or whoever the government happens to be, catches more heck because of the CBC than probably anything else that happens; do you think anybody in this country would stand for a minute and how long would any government last that attempts to set up its paper?

Professor Beattie: Well, the way I look at it.

Senator Prowse: A Canadian Izvestia, I suppose.

Professor Beattie: I would say I would look at that with some misgiving, but the CBC generally has kept well free of political control. I think they have turned out some very good programs. It is not really government-controlled. It is public—it is a Crown corporation, so to speak.

Senator Prowse: That nobody can control.

Professor Beattie: And it is very difficult to control, yes.

Senator Prowse: They do not even have the marketplace control them. That is one of the criticisms, is it not?

Professor Beattie: Well, they seem to be moving more and more into the marketplace, in my mind.

Senator Prowse: If we wanted to do it, would the practical situation be that the press

attaché or the Third Secretaries or First Secretaries or authorized persons attached to Canadian missions abroad, might be able to send in a despatch for the use of the CP?

Professor Beattie: I doubt if that would be a very workable plan.

Senator Prowse: Would you think that a national newspaper could be set up in a way the public would believe it was not to be an instrument of government propaganda?

Professor Beattie: Well, I think if it was set up like the CBC is set up and had its own correspondents as the CBC does.

Senator Prowse: Of if the CBC would do it.

Professor Beattie: Possibly.

Senator Prowse: That is fine. Now, when it comes to the matter of owners; we have been told time and time again the reason that there is this increasing concentration and development of the chain, and you have referred to it, is because of the impact of taxes. I do not know whether we can do anything about this or not. There would be other things.

There is a tendency for a person to want to sell the individual family-owned newspaper. The only people that can buy it is either somebody who has a lot of money in which case he may have other axes to grind, or else he owns a chain of newspapers.

Now, we have protestations of those people who have chains that they allow their editors complete independence. This is their evidence and we have no evidence to the contrary, but even though they may, it is not desirable they should have too many or get too big, or have too many in one area.

Now, have you got any suggestions as to how, when we are faced with the practicalities of a growing concentration, we can maintain both the fact and the appearance of independence so that the public will be able to continue to have confidence in what they read in the newspapers or hear over their radios or see on their TV?

Have you any practical suggestions to deal with this very, very serious problem?

Professor Beattie: It seems to me that you have two alternatives, to start breaking up the chains that are there now or you can put through legislation that they will not be able to grow any larger. That is, as far as the physical plant is concerned.

Senator Prowse: You have more chains in...

Professor Beattie: Well, I was making a comparison with the United States where there are many, manymore small chains. There are linkages of two or three of maybe six newspapers, and this sort of thing, and I think that is a little healthier than the situation we have of six big chains. They are not all big, but six chains have 50% of the total circulation of the country.

You wonder how this could have developed in view of the anti-combines legislation.

I am not an expert in law, I do not know, but to my mind it is not a good situation.

Senator Prowse: I would suggest to you that I have looked at American newspapers outside, about a half-a-dozen big metropolitan dailies. The average American city up to a population of over one million does not have a newspaper that can hold a candle to what we get in cities of 250,000 and up in this country.

Professor Beattie: Yes.

Senator Prowse: In the amount of news and the quality of the news.

Professor Beattie: I quite agree.

Senator Prowse: They depend on their TV for an hour and a half of news and their big national dailies.

Professor Beattie: I have found the quality of the average afternoon daily in the United States much lower than that in Canada, and I have spent summers in the United States on courses and whatnot. World news is poorly covered, real trivial news.

I think our newspapers as a group are away ahead of the Americans.

We are ahead of the British except for the *Times* maybe and the *Manchester Guardian*, but I think our papers are good.

You know, you talk about British journalism. You have to talk about the *Express*, the *Daily Mirror* and the *News of the World*. Papers like that are not high quality.

Senator Prowse: Now, there has been a suggestion made—let me read this to you and see what your reaction is. It is out of "*Grass Roots Editor*." It is called "Revolt of Journalism, the Obligation for Survival," and it is a speech by Mr. Bryce W. Rucker?

Professor Beattie: Yes, I have read it.

Senator Prowse: Have you read this one?

Professor Beattie: Yes.

Senator Prowse: He deals with the fact here that the answer may be to put a professional newspaperman in charge of the whole editorial section of the newspaper. In other words, the same as businesses today are no longer run by the owners but by professional business managers.

If we stop thinking of the newspaper in terms of the, you know, little country editor whose job was to print the news and raise hell, but that we have coming up a group of professionals and that we try to hasten the process by which they become real professionals; and that when you appoint an editor he is the fellow who has the whole responsibility for the news and such other people probably ought to be with him.

I think there are a couple of newspapers in Paris that do this and I understand that the German Newspapers Editors Unions are working on it and may have had some success.

Do you think that may be a realistic answer to the problem here?

Professor Beattie: I think it would be an excellent answer.

Senator Prowse: In other words, the ownership of a newspaper would just be another form of investment and the running of a newspaper then would be the job for professional people, who would have to perform or get fired.

Professor Beattie: Well, senator, I think that this is actually the case on some newspapers. The owner is not very active on the newspaper. He has turned it over to the editor-in-chief.

You take an owner like John Bassett; he believes in personal journalism. That is not the exception than the rule today, so I think Bryce Rucker's article is something I would agree with and should be extended as much as is possible. This is: return the newspaper to the newsman. This is really getting back to the editor as controller, a sort of John Dafoe editor, perhaps.

The Chairman: Before Senator Prowse goes on, I would point out to the Committee that this is now ten-thirty. I gave commitments to certain senators and I am anxious to keep these commitments. The Committee is meeting at

ten o'clock in the morning and I hope that the Honourable Senator Prowse will keep that in mind.

Senator Prowse: I will make this the last question.

The Chairman: I do not mean to limit you.

Senator Prowse: No. It is just one point that I think it probably the most important thing he has talked about.

Here I have found the quotation: "I firmly believe that the only solution is for the working journalists to assume complete unquestioned control of the news editorial operation of the news media.

"Without doubt the working journalists of America have to be given a completely free hand, the desire, the drive, the guts, the know-how to make every medium of communications in this land a vital force. You have had the training and experience to accomplish what generations of owners have failed to do. You have the right, indeed the obligation to demand control. You have precedents on your side."

and then he goes on.

This sets out the proposal. Now, is that a proposition for the future basis for a really free and worthwhile communications media, not just the press, in your opinion?

Professor Beattie: Well, I do think it is an ideal and it is something I would favour. I just wonder how many owners of media would be willing to back up that much.

Senator Prowse: Well, the owners all say they are going to have to sell. Even before Mr. Benson came out with his White Paper, they said they had to sell; so if we are faced with the inevitability that they have to sell, maybe somebody ought to be trying to sell them.

Professor Beattie: Of course, you know as Jim Porter says in "The Vertical Mosaic", the policies of top editors are not that much different than that of the owners.

Senator Prowse: Yes. But if the whole working press is responsible for doing this, and you use the editorial conference—extend that into the management team and not just that single light at the top of the pyramid.

Professor Beattie: In other words, you would democratize the newsroom and a lot of decisions would be made?

Senator Prowse: Down to middle management anyway.

Professor Beattie: Yes, I think it would be a very good idea.

Senator Prowse: Thank you very much.

The Chairman: Do any other senators have questions?

That being so, I would just simply say, Professor Beattie, on my own behalf and on behalf of the senators that we are very grateful to you for a very useful documentation and it is one which I am particularly anxious that the members of the Committee study.

I do not think that has been possible because of when we received it. I think we all do our homework. I think this particular document will be studied with great interest.

As I point out now and will point out to the other members of the Committee, the document contains an enormous number of extremely useful statistics which quite frankly sets some of the problems we have been talking about into a perspective. It really hones in on some of the problems which concern us most. I can assure you it is a valuable documentation as such. I think it will be a valuable document for the Committee.

Do you wish to add anything?

I think this is a very thorough documentation, and we are grateful for it.

Professor Beattie: Thank you very much. No, I have nothing to add. I am talked out.

Senator Prowse: May I just add one comment?

The Chairman: Yes.

Senator Prowse: I would like to add to what you said. The thing I was impressed most with was the tremendous amount of personal work which you must have put into it in order to have completed it.

The Chairman: I think the operative word is "perspective" and this paper helps to put it into perspective.

Now, may I remind the senators the schedule for the balance of the week?

14 : 58

Special Senate Committee

10 a.m. tomorrow the Canadian Association of Professional Journalists, and please note that is in Room 260N. Then we adjourn until four o'clock tomorrow afternoon and we have Mr. Donald Cameron, editor of *The Mysteri-*

ous East and then the *Toronto Star* on Friday morning at 10 a.m.

The meeting is adjourned. Thank you.

The Committee adjourned.

Queen's Printer for Canada, Ottawa, 1970



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS OF THE SPECIAL SENATE COMMITTEE ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 15

THURSDAY, JANUARY 29, 1970

WITNESSES:

Canadian Society of Professional Journalists: Mr. Frank Drea, President;
Mr. Jeff Carruthers, Member of Executive Board; Mr. Martin Goodman,
Vice-President; Mr. Rae Corelli, Member.

*Mr. Donald Cameron, Ph.D., Associate Professor, The University of New
Brunswick; Contributing Editor, The Mysterious East.*

1969-70

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien
Bélisle
Bourque
Davey
Everett

Hays
Langlois
Macdonald (*Cape Breton*)
McElman
Petten

Phillips (*Prince*)
Prowse
Smith
Sparrow
Willis

(15 Members)

Quorum 5

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

"With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative, on division.”

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.”

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, January 29, 1970.

(15)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (*Chairman*); Macdonald (*Cape Breton*), McElman, Petten, Prowse, Smith and Sparrow.—(7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant.

The following witnesses were heard:

Mr. Frank Drea, President, Canadian Society of Professional Journalists; Director, "Action Line", The Toronto Telegram;

Mr. Jeff Carruthers, member of Executive Board, Canadian Society of Professional Journalists; Science Reporter, The Ottawa Journal;

Mr. Rae Corelli, member, Canadian Society of Professional Journalists; Legal Writer, The Toronto Star;

Mr. Martin Goodman, Vice-President, Canadian Society of Professional Journalists; Managing Editor, The Toronto Star.

At 1.10 p.m. the Committee adjourned to 4.00 p.m.

At 4.00 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (*Chairman*); Everett, Macdonald (*Cape Breton*), McElman, Prowse, Smith and Sparrow.—(7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witness was heard:

Mr. Donald Cameron, Ph.D., Associate Professor, The University of New Brunswick; Contributing Editor, The Mysterious East.

At 6.05 p.m. the Committee adjourned to Friday, January 30, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard,
Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA EVIDENCE

Ottawa, Thursday, January 29, 1970.

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (*Chairman*) in the Chair.

The Chairman: Honourable Senators, I would like to call this session in order. I have no announcement which I have made several times. Please note that the brief from The Just Society will not be received today at 2.30 so after this morning's session the next meeting will be at 4 o'clock, upstairs, to receive the brief from Professor Donald Cameron of The Lysterious East. Both the meeting at 4 o'clock and the meeting tomorrow at 10 o'clock to receive the brief of The Toronto Star, will be held in the room upstairs.

Following this morning's meeting I would like to ask the Senators to stay just five minutes to talk about scheduling and subsequent weeks.

This morning we are receiving the brief from The Canadian Society of Professional Journalists. Sitting on my immediate right is Mr. Frank Drea, who is President of the Society and director of The Toronto Telegram's Action Line.

On my immediate left is Mr. Martin Goodman, Vice-President of the Society and Managing Editor of the The Toronto Star.

On the right end of the table is Mr. Rae Orrell, a member of the Society and a legal writer for The Toronto Star.

At the left end of the table is Mr. Jeff Arruthers, a member of the Society's executive board and a science writer for The Ottawa Journal.

I would just point out, as the brief does at the top of page two, that I think it is important to realize that the collective experience of this group embraces a wide number of papers in various regions of Canada, including both wire services active in Canada. The Senators will realize we have been anxious and remain anxious, as well as hearing from publishers and owners and other people with spe-

cial views on communications, wherever possible to hear from members of the working press.

Mr. Drea, you have a brief which I don't believe we have received and therefore perhaps you could read the brief and following that we will have some questions for you. I am sure they will be directed to other members of your panel as well. Mr. Drea.

Mr. Frank Drea, President of the Canadian Society of Professional Journalists: Mr. Chairman, The Canadian Society of Professional Journalists is pleased to appear before your Committee and welcomes the inquiry into the performance of the press. The purpose of our appearance is primarily to allow the Committee face-to-face contact with working members of the profession, with people who are concerned about the standards of journalism and who have had a wide range of experience in it. Before I indicate some of the Society's purposes and goals, I would like to introduce the delegation before you. Since Senator Davey has done that I will forgo that.

I would like to say that Professor Ted Schrader would have been with us but unfortunately his health did not permit. That is why he is not here.

The collective experience of this group embraces a wide number of papers in most regions of Canada, including both wire services active in Canada. Between us we have also done most of the jobs that exist on newspapers. I hope our broad knowledge of how newspapers work will prove of some use to the committee. While we are here as members of the Society, the views expressed in answering your questions are of course personal.

Let me now explain the purpose of the Canadian Society of Professional Journalists.

Reporters and editors in Canada's print and electronic media are members of one professional community. That community, to date, has lacked both a forum for discussion and a united voice. The Canadian Society of Profes-

sional Journalists was formed to provide such a forum and such a voice.

The society holds that professionalism involves responsibilities both inside and outside journalism. Inside, professionalism implies the conscious and determined pursuit of high standards. Outside, it implies a united effort to strengthen the rights and enlarge the usefulness of the profession.

The founders of the Society were members of the Sigma Delta Chi, an American-based professional association, who recognized that only a specifically Canadian organization could promote the necessary dialogue and participation among Canadian journalists.

The Society proposes to work for higher professional awareness:

By fostering the interchange of ideas and the growth of fellowship among journalists from different media, and by assisting and co-ordinating the work of specialized groups working in the interests of weekly newspapermen, radio and TV news directors, business paper and industrial editors and others.

By putting the special skills of senior professionals at the disposal of the membership through seminars and workshops, and creating a platform for newsmakers to speak to journalists on an informal basis;

By researching the state of journalism education and recruitment and making recommendations for improvement; and by bringing working journalists into contact with journalism students and educators.

The Society proposes to strengthen the position of journalism in society:

By fostering freedom of information;

By the legal and moral support of journalists adjudged to be victims of illiberal or restrictive law or practise;

By the submission of professional opinion to governmental and other inquiries into the media;

By concern for the maintenance of Canadian-owned and Canadian-operated organs of information and opinion;

By professional recognition of outstanding achievement in all media.

The main concern of the Society in this appearance is the professionalism of those involved in journalism.

The survival of an accurately informative press in Canada surely is the primary concern of this committee.

No one suggests that the Senators have arrogated this function to themselves. But

perhaps it was not unrealistic to have hoped that the proceedings would point the way to this goal by clarifying issues and identifying problems; by compelling the industry through exposure to examine itself and its resources to seek out the leaks in its roof and the cracks in its walls.

If this is a valid supposition then the almost complete lack of testimony and senatorial inquisitiveness directed to the professional standards of news reporters can only be described as dismaying.

A newspaper cannot be informative and imaginative unless its reporters, on balance, are informative and imaginative; because reporters—the newspaper's own and those employed by the agencies which supplement its coverage—supply virtually all the material available for publication.

Good editors thus cannot create an intelligently informative newspaper with raw material provided by poorly-qualified reporters.

Nor can a newspaper staff its desks with good editors unless it has a pool of good reporters to draw from. There is no such thing as a good editor who was a bad reporter for the simple reason that both tasks demand roughly similar talents, although different. Applied, good judgment, perception, a sharp eye for relevance, the ability to sense the presence or proximity of "news" and the reflexive instinct to know what to do with it.

For these reasons, this Society regards high professional reporting standards, vigorously pursued, as indispensable to the presence of an attractive, intelligent and aggressive press in Canada.

What troubles us is that so few newspapers are actively committed to this concept.

The Toronto newspapers and those in a handful of metropolitan centres elsewhere in Canada operate summer training programmes for university students whose desire to enter journalism is accompanied by the glimmer of talent.

But few, if any, newspapers in Canada have really explored the possibilities of upgrading news reporting standards by such means as leaves of absence for university refresher courses, special language classes, workshops, seminars or staff exchange projects.

The Universities of Carleton (Ottawa), Western Ontario (London) and Laval (Quebec) have journalism departments. It

their relationship with the communications media apart from the cities in which they are located is remote to say the least. They operate no communications research centres and because they function entirely at the university level they have little if anything to contribute to the professionalism of a reporter who has been working for 5, 10 or 15 years.

It is, therefore, not difficult to see why excellence in news reporting has been, historically, a "bootstrap" exercise by the individual newsman who, having defined his own goals or having observed his shortcomings, sets out to achieve or to remedy largely on the strength of his own unaided resources of intellect, ambition and craftsmanship.

The lone pursuit of professional goals, university teaching centres that follow rather than lead, employers who remain aloof from or indifferent to the standards of practice—one of these fragmented states can be permitted to continue indefinitely if the communications media of this country are to meet the challenges inherent in an increasingly complex and demanding society.

The Chairman: Thank you very much, Mr. Drea. Do you wish to add anything to that formal statement or do any of your colleagues wish to add anything, or should we proceed to the questions?

Mr. Drea: I think the questions. I think that's really what is relevant.

The Chairman: I think Senator Prowse is going to begin the questioning this morning.

Senator Prowse: I will go to the first one on page 5:

"If this is a valid supposition then the almost complete lack of testimony and senatorial inquisitiveness directed to the professional standards of news reporters can only be described as dismaying."

I have had during the course of this hearing two people who came to me and said why don't we dig into something, and I have said to them "All right, give me the facts." The answer is "Well, I am not going to stand up and get crucified and lose my job and not get another job."

Now have you got anything to tell us that we ought to be digging into that we haven't dug into? Without facts, how do we get without making fools of ourselves?

Mr. Drea: Well, Senator, when we put this paragraph in we were not talking about dig-

ging into certain things that are underneath the surface or apparently underneath the surface. I am like you, I frankly don't think they are there. If they were, they would come forward with facts.

One of the things that is disturbing to people whose careers are in this business—and mine has been for almost 20 years and Mr. Corelli has been longer and Mr. Carruthers is just starting out—one of the things that is dismaying about this Committee, and granted you have no control over it, has been the pushing forward of some very time-honoured myths. What we are concerned about is when this Committee is over and the report is written and it is forgotten, as it will be in a year because it is not hot news any more, the legacy of this Committee is going to be the perpetuation of certain myths: such as that newspaper copy is tampered with according to certain interests. If this is true—and I suggest to you it is not, because we went in the beginning to look for people and promised them a great deal of anonymity and we couldn't find anyone.

What we are concerned about is a year from now, that the legacy of such an important Committee as this is going to be all that these myths which I don't think are true are going to be perpetuated in the public mind.

The Chairman: Let us take that myth as an example. Why do you think it is going to be perpetuated by this Committee?

Mr. Drea: Oh, I don't think it will be perpetuated by this Committee but it was brought forward here and this is the thing somebody is going to remember.

The Chairman: If I may say, it is brought forward here quite frequently but as frequently as it is brought forward it has been denied, so surely we might have the reverse effect to the one which you fear?

Mr. Drea: No, I really don't think so. I think the myth has been with us so long that any credence put into it here, such as somebody just saying it, automatically pursues it. I think the other thing we are concerned about...

The Chairman: Before you go on to that, and I know that Senator Prowse will forgive me—and still on this question of tampering, I must say that I have shared the experience that Senator Prowse speaks of. I have had reporters in the press gallery and I have had reporters from Toronto during the course of

these hearings who have come to me. It has certainly happened more than once. They say "You are not digging into the facts. The publishers are covering up... and so on. "There is this sort of tampering."

I think it is important to put it on the record that in every single instance we challenged the person to give us the specific information and we would put it to the publishers. If I may give an example, the 4th Estate in Halifax had an article which said the Chronicle-Herald "censors the news". Now we put that specific question to Mr. Dennis last Friday and he denied it. Without proof we cannot go any further than we have. We must, of course, as we do, accept Mr. Dennis's word at face value.

That is the repeated experience we have had and while we will turn specifically to the point here I think I would also caution you before making judgment on the Committee, either relating to the ones we have discussed or to the ones you are going to discuss, I am sure that all you have been able to read are the reports that have appeared in the press. I am not quarrelling with their accuracy. I am not quarrelling with their thoroughness, but in a study which has been exhaustive—there are days we have been here nine and ten hours—it is physically impossible, nor would we expect the newspapers to report all the impressions and facts.

I would urge you before making too many judgments to make a point of reading the transcripts.

I am sorry, Senator Prowse...

Mr. Martin Goodman, Vice-President, The Canadian Society of Professional Journalists:

Why would you expect Dennis to say "Yes, I tamper with the news"? If I were a Committee going out to try and do this I would function as a reporter. You have a research staff headed by a very competent gentleman and you could match the news as it appears. I am not taking this as an example but if you want to make the point it seems to me the way you make the point is to go out and look at the news and say "All right, why is this news? What happened in this instance? This is what appeared in the newspaper, how did you come to these judgments? How did the reporter determine it? How did the editor who handled it determine it?"

Then you begin to put to a man the question which he can answer and explain according to that paper's values of what news is. I am really dubious that by asking a publisher

"Do you tamper with the news?" that you are going to get a "Yes" answer.

Senator Prowse: When you ask that question you know what the answer is going to be. That may or may not worry him. The answer may or may not worry his conscience. You know what the answer is going to be. I don't know whether you have read Louis Nizer's book *My Day in Court*. He talked in there about the rule of probability. Do you remember that? The rule of probability simply stated is this: Given a certain set of facts you can assume that in the ordinary course of human conduct there will be other additional facts you ought to assume or you can assume. Were there any? For B to result from A there must have been some things in between.

Now when these questions are asked over the whole thing I would think that when the report comes to be written, we are going to have to consider the rule of probabilities as well as the evidence; but the reason I asked the question was not to defend the Senate but to put a burden on the people and to put out a public invitation at this time to anybody who has specific information. It is all very well to say "Go and get it. Put your research staff on it."

Now we have spent a hell of a lot of money on research right now getting some basic things and if we were to send out our blood hounds, which is undoubtedly what they would be called, sniffing into every newspaper morgue in Canada and then going back and checking on stories to see whether they were correct, can't you guess right now what kind of editorials would be screamed from every newspaper in the country about what we were trying to do to freedom of the press?

Mr. Drea: I think you may have misinterpreted me. You and I are not going along the same line. When we started out you said that you had heard lots of talk and when you said "Okay fine, here is your opportunity; let's have the facts," you couldn't produce any...

Senator Prowse: Nobody has produced any yet.

Mr. Drea: Nobody has produced any to you yet.

The Chairman: In fairness, nobody is willing to produce any.

Mr. Drea: Well, I want to go a little bit further because we have done in the Toronto area what you have suggested. We went out

nany, many weeks ago and we put the word around, particularly in Toronto or any place else, if they ever knew of anybody we would protect them—and there are ways people can be protected—and no takers. I myself have racked down three or four reports where people say they are outside of the business, couldn't get along in the business, their social conscience was impeded and so on and so forth. I have gone and talked to them and it is not true. They couldn't document it.

Now I am not suggesting that these people don't feel in their own minds they have been impeded, but when it comes down to documenting it or showing what a reasonable person would think was tampering with the news... Frankly I don't think in the metropolitan area, and certainly in my own experience I have never been tampered with; have never been dictated to. I have done the most sensitive things, covered the most sensitive areas on a metropolitan newspaper that were are to cover. I was the labour columnist for almost nine years and I was never dictated to; I was never told anything. As a matter of fact I was encouraged to go out and do things. I think that this is true in Toronto because certainly the people who are on the other papers competing against me, they were doing precisely the same thing.

Now I am in an area where I handle the public, where basically I am taking complaints from the public. Now according to the myth, I should be shackled and everything else because all these things involve advertising. I am not shackled; I am not bothered; I am not anything. Nobody ever talks to me about whether somebody is an advertiser or not. The only way I know is if I happen to read the paper and see the ad.

The point that concerns me, and I am sure concerns the people here, one of the difficulties in getting professionalism in the daily press in Canada is that unfortunately we suffer from a legacy that has come up from the United States and that is "You can't believe anything you read in the newspaper"—this is the legacy of William Randolph Hearst.

Senator Prowse: Or Huey Long or William Verhart in Alberta.

Mr. Drea: Well, I understand his place has been the rock-and-roll. I think these are things that the Canadian public, because of the particular communications set-up we have where almost anything that happens in the States is

automatically assumed to be happening in Canada six months later or so, we have this legacy and it is very difficult to talk to people and tell them the good things that newspapers are doing when they are doing it. The trouble is that everybody expects a newspaper to be very good. Nobody praises a newspaper. They condemn them for the editorials and they condemn them for the make-up or what have you but they never say what it has done.

For instance, no one suggests that the monument to John Bassett in Toronto is the fact that all the people on construction projects are now wearing hard hats. This is the monument. Before he took up the cause for industrial safety in the province they didn't wear hard hats and they died at the rate of 15 or 20 a year. Now they wear hard hats and nobody dies. Nobody suggests, you know, this is the monument.

Nobody suggests that the Telegram got the minimum wage scale in Ontario. Nobody says that is the memorial. Now everybody criticizes the Telegram or somebody because they don't like the particular scale of the wage.

The Star spent millions of dollars over the years, not only in terms of newsprint but in terms of cost, paving the way for Medicare and hospital insurance in this country. I think it would have come anyway but certainly The Star invested heavily in bringing social progress to this country. Now when you get your OHSIP card or whatever you have in the provinces, your hospital card, nobody has on top of it "Thanks to The Daily Star." Nobody says anything about these things.

The difficulties are when you go to the public and try to explain these things to them. The newspapers can't or they say you are blowing your own horn or the reporter is blowing his own horn. What we are concerned very much about is that if you really look at the cumulative press reports—and I have a scrap book and I have read them through again last night—taking into account not specialized interests you have, or the Committee has, or we have, but the average reader on the street, if he turns back in the paper the whole thing seems to centre around two objects: end the succession duties so we can have independent newspapers. This comes up time and time again. Secondly "We do a good job but Canada is kind of a poor country and there really is not enough money around to do the wonderful job we would like to do for you."

I really think, without being cynical, this is what is being left in the public mind and this is one of the reasons we are here today. We think we have got suggestions which are practical and which will, we would think, improve the quality of the press in Canada.

We think that the time has come to put on the record certain things about the press in Canada.

I think we have done more this morning in about 20 minutes about setting forth things in a condensed form than the Committee has done...

Mr. Jeff Carruthers, Member of the Canadian Society of Professional Journalists Executive Board: Could I add something?

The Chairman: Mr. Carruthers, yes.

Mr. Carruthers: One thing that has been bothering me, you are talking about the public image and what the press has done and what it doesn't do. I am a science writer meeting with so-called public officials and scientists and one of the things that is coming up more and more commonly has been the so-called criticisms of the press, the press's role in covering things such as pollution and DDT, et cetera. At a conference in which four members of the panel were leading experts in Canada there was criticism of the press for supposedly sensationalizing it, playing it up and using stuff just to sell newspapers.

This hasn't come out in this Committee yet but this is the type of thing people think of the press. When you question them after and you ask them "Why haven't you people spoken up..." They complain about Pollution Probe in Toronto and all the fuss they have caused and you ask some scientists and they say "Well, they are so low we would not want to respond to them."

This concerns me. I think that perhaps Frank may have given a wrong impression. I think there is a lot to be done in the press. I think one of the problems that you are running into is people coming to you complaining. To me they may be the problem of the generation gap. I know it is a hackneyed phrase...

Senator Prowse: That is not the problem we are talking to you about, Mr. Carruthers.

Mr. Carruthers: What happens here is sometimes there is a difference in values. What Frank may consider to be totally free rein a young reporter may not. The young reporter may want to do things Frank doesn't

want to do. I don't know. This is what is happening—a lot of students are coming into journalism with a different idea of what they want to do and if they are not allowed to do it they are going to feel they are stymied.

Senator Prowse: This is, you think, part of the basics?

Mr. Carruthers: I don't know.

The Chairman: Mr. Corelli?

Mr. Rae Corelli, Member of The Canadian Society of Professional Journalists: Mr. Chairman and Senator Prowse, I have a slight feeling that we are not answering the question. In the beginning you suggested to us in our criticism of the Senate in this area we had perhaps overlooked the fact that you had been given too few facts to go on.

Senator Prowse: I was trying to put somebody else on the spot.

Mr. Corelli: I do suggest to you in the area of professional standards for reporters there are probably few facts to go on. In any event what we are dealing with here are concepts which are vague, to say the least, not yet defined or implemented on a nationally recognizable scale. There are no specific province-to-province paper standards which are analogous to, say, medicine or law. The business standards tend to vary from one paper to the next depending on that paper's concept of what it is going to do.

What we think—and I like to think I am speaking for my colleagues here—what we would like to see you perhaps inquire into, this is again not too vague, is into this phrase we used: "The professional standards of newspaper reporters." We would like to evoke your curiosity as to what the standards might be in the Telegram or the Star as they are reflected in the climate within which we work.

Perhaps to stretch it to the point of the ridiculous and to answer our own question, these standards are probably almost certainly to be the highest in Canada on the large papers for the simple reason that in Toronto there is not only size but also competitive relationships one to another. I think it declines markedly as you go down the scale both in circulation and in the competitive picture.

There is a very strong desire, I think, on the part of virtually everybody in this business to achieve as a group some kind of unanimity of view toward what we ought to

ce, toward what we ought to be doing, toward a kind of unifying concept of responsibility. I think that responsibility and responsiveness to responsibility is what this is all about. We are sort of fragmented now, sort of reaching for this. Perhaps you can help us find it.

Senator Prowse: I think in fairness I should say this as part of this discussion: I don't think that any publisher or representative of a publisher has appeared before this Committee without being asked what they do about recruitment, what they expect of their reporters; and the fairly good measure of job standard, what pay rate and why their pay rates are not better.

Senator McElman: And whether they interfere.

Senator Prowse: Whether they interfere. Now the question of whether you interfere always worries me. As a lawyer I know you don't ask a question if you are not going to get the answer you want. You want to be in a position to prove that the guy is lying to you. Unless you are in that position you don't ask the question when the facts may give you the answer without it being asked.

Let me say this to you, let us pursue this line: I think you people probably more than any other group that has appeared before us—at least as well as one or two others in the same position as yourselves—are in a position to tell us what those standards should be. Have you any suggestions to make on what those standards should be? Are you still in an area of trying to find out?

Mr. Corelli: I think we do but I am wondering if they go beyond concepts and ideals. I wonder if they really can be nailed down.

Senator Prowse: If you can't nail them how can we?

Mr. Corelli: I appreciate that. That is why I am also apologetic at not being as helpful as might be. I think standards have to be those perhaps ideally of any profession, if in fact this is going to be a profession. Then it seems to me logical that journalism at the reporter level in the beginning should be a process which begins with education at the university level. It should progress through the granting of a degree in this specialty; it should make available in almost as widespread fashion as medicine or law the graduate courses leading to a master's degree; it should have a practicing code of ethics for its members; it should have a set of standards of practice which are

minimal in nature—below these things we won't tolerate aberrations.

It should ideally be self-regulatory. It should perhaps be backed up by statutory authority to be self-regulatory.

How we get from where we are to that point and whether it is even desirable to go to that point—perhaps some of the others have some other ideas to offer.

Senator Prowse: How long did it take to get hard hats? You have to start somewhere.

Mr. Carruthers: I don't think it is as simple as that. One of the things that I keep on pushing is this idea of professionalism. As you say it is tremendously fragmented and differs from city to city. Now what we have to aim at is a common level of professionalism across the country. One of the ways I think you can do this is by starting with the people who are going into the profession, the community colleges and universities we have in this country, and developing in them this professional feeling, you know, and letting them bring it up. It is, I suppose, like bilingualism—it is going to take a period of years before the new breed of total professionals. There are professionals in journalism now but this is the way I think it could be made to grow. It is going to be up to people to define these things and give them to people responsible for education. They will, of course, have their own ideas and slight variations. They have to be instilled in the people.

Mr. Drea: I think a good analogy might be that the journalist in this country is roughly where the doctor, dentist and lawyer were about 1885.

Senator Prowse: At least that far.

Mr. Drea: Yes. There were no standards. Some people practiced and some were not. If you couldn't make it in one city you went west or north. The doctors had to organize themselves. The dentists had to organize themselves. The lawyers had to organize themselves.

Senator Prowse: Boy, we have a good union!

Mr. Drea: Yes, you do; it is quite true. You had to do it yourself. It was in the common interest and this was the one unifying force. It was not to make more money in any of these professions. It was in the common good. Medicine wanted to get rid of the quacks; law wanted to get rid of the Shylocks.

The Chairman: What do you want to get rid of now?

Mr. Drea: Incompetence.

The Chairman: I have one point and I think that this is a very important point. I have been intending to ask this all morning. Your references to date understandably have been repeatedly of and from the Toronto area. We would be interested in your assessment of professionalism, or if you will of incompetence, where it exists in other areas of the country.

Are you or your group competent to make that kind of judgment for us? If we have to discuss the standards we will but as well as discussing the standards, where are the problems which concern you greatest? Obviously from what you have said they are of least concern in Toronto, I gather? Where are they greatest?

Mr. Drea: Let us do it on the positive side rather than the negative side.

The Chairman: Fine.

Mr. Drea: I think the problems for this profession are, I think, problems also for the community. We are concerned about the level of professionalism in the medium size Canadian community, not the metropolitan areas, not the big cities, but cities of fifty to one hundred thousand where there is one newspaper, where it is a monopoly. It may not be a monopoly under the Combine Act but it is a monopoly in communications. We are concerned about there. Who are the people who are reporting the local news? Are these people competent to bring up local issues? Because I think there are as many local issues in the medium community as in a big community. They may be smaller in scale but I think the thing is still there.

We have common problems all across the country regardless of how big the population is.

What dismays me is—and I travel the province of Ontario from north, south, east and west—I am probably in communities that other people are not in this business because I do some things for the Government of Ontario—what concerns me is the total lack of the local issues. These are in communities where the newspaper is the sole method of information.

It is great to say you get the CBC National News but what does the CBC National News have to say about Peterborough unless there

is something sensational? They are dependent on the local newspaper. You go to the local newspaper and start looking at the people who are there and some of them have been there a long time and they are good. They might not be very good in Toronto but they are good in their own place. What concern you is there are no standards. Somebody comes in and that is all.

Senator Prowse: In other words, they take a boy out of high school to replace a senior reporter and by the time the public find out that they are being short-changed he probably has enough knowledge...

Mr. Corelli: I don't think the public find out. You asked about some other areas in Canada. Obviously this puts us in a kind of embarrassing position...

The Chairman: I don't want to embarrass you.

Mr. Corelli: No; but in response to your earlier observations you keep getting people running around hiding behind the furniture. I worked for some papers in this country, or paper in the under 20,000 circulation, daily—one of a group of dailies—whose common owner has been frequently in the news arising from proceedings of this Committee. Now this newspaper was staffed by some very competent journalists who were obviously in the minority since the publishing of the paper was not prepared to pay money to good reporters. I am not sure he knew or if he fell over him in the hall.

Senator Prowse: With the lights on.

Mr. Corelli: With the lights on. It was a terrible newspaper. It was consistently terrible, at least it had that going for it. There were some excellent people working for it and this may seem like an anomaly but they were there and did jobs as best they could. The trouble is that this is a one-paper town. I am speaking of. Actually a two-paper town because the afternoon and morning editions were published by the same people. The same people wrote both papers, the presses turned out both papers, the same trucks delivered the papers. The terrible thing about this from that level down—if you can believe anybody going any further down...

Senator Prowse: Oh, there is lower.

Mr. Corelli: The terrible thing is there's no yardstick for these people to use. In other

words, when I was on that paper—and this was back a great many years—you got the feeling this was the best paper around because you were working for it. There was no reference point. You read the other papers once in a while and you got a Toronto Star when the mail came through but normally you read other papers of a similar kind and they were also all bad, so relatively you looked very good.

This is a problem with journalism—nothing sifts down to that level that makes an impression. In other words, these people don't look around and say "This is a hell of a way to publish a news story. Look what the Toronto Star or the Globe and Mail or the Montreal Star did with it." They have no critical judgment; they have no social conscience. There is no basis for comparison. They get no better because they don't know that they are that bad. They tend to be rather smug and self-satisfied and go on grinding out this rubbish day in and day out. The only thing that disturbs the status quo is the balance sheet at the end of the year and then the repercussion is purely financial rather than editorial.

I am speaking here from a limited experience but this has been my experience at that level of newspapers in Canada.

Senator Prowse: Let me ask two questions. I want to deal with the question you raised first about a couple of good myths. I speak with some feeling as I earned my living as a working newspaperman for eight years. My ambition was that I might get to work on a Toronto newspaper but some things intervened. Maybe I would have never made it anyway!

The two myths are these: one, newspaper reporters never bother to get the facts. Two, they can take the minimum of information and blow it up into a big story.

Now will you answer the first one: they don't get the facts; why people don't read everything they think they ought to read when they are interviewed by a newspaperman and everything that they said was not there.

Secondly, will you answer the one about whether newspapers do take just a teensy weensy bit and then blow it right up. Let's deal with these two myths, which I consider them to be. Let's hear what you have to say. You fellows know what gets in the paper.

Mr. Drea: We believe that we get accused of doing it.

Mr. Corelli: My first reaction is kind of a wistful one because on the newspaper I work for the absence of facts tends to be a matter for repercussion from the people I work for rather than the people who read the newspaper.

Senator Prowse: You are answering the second one first.

Mr. Corelli: Maybe, yes. I don't know what all the facts are in any given situation. I don't suppose that anyone does. If I am assigned to report a story I get the facts to the extent that I have in my judgment a fully rounded, balanced story, at least to the best of my ability. When do you reach that point? I don't know. Experience tells you you don't need to say any more about this point.

What happens is quite often this sort of situation arises in covering a meeting where two or three people are taking part in a panel. This happened the day before yesterday to one of my colleagues. He was covering a meeting at which three people spoke at various times and he was apparently of the opinion that what one man said was not very important and he concentrated on the other two. In the process of employing his news judgment he says, "From my experience in this specialty of reporting, these things are more newsworthy," and he was called up by three different people 20 minutes after the first edition was on the street. The three people were the man he had not quoted at all, that man's wife and that man's brother-in-law. All of whom said "Why didn't you put anything in there about Harry..." or whatever his name is. He had included the man's name and I think he included enough of what Harry had said to justify his presence at the meeting. Now Harry and his wife and his brother-in-law would all have joined the club and said "That is so typical of newspapers. They never get all the facts."

This is one of our problems and I think a problem that may be involved with communications between the profession we are attempting to define here and the public; not necessarily the newspaper but the profession. Maybe this is another reason to strive for a professional organization.

Senator Prowse: What I was getting at is this: every news story of necessity requires the selection of what the person who is writing the story, and then his editor, decided are essential facts to the story. Is this not true?

Mr. Corelli: Yes.

Senator Prowse: Which means that a whole lot of the stuff you get and a lot of the interviews you get, you decide have no relevance to the story.

Mr. Corelli: Yes.

Mr. Carruthers: This is a personal thing based on my limited experience. If I am writing a story and I can devote enough time to it, almost inevitably I have five pounds of facts and I use really like one pound.

Senator Prowse: Because of space limitation?

Mr. Carruthers: Not only because of space limitation. A lot of stuff is redundant and a lot of stuff is not relevant to the story. It was relevant to the whole picture you went into first but when you came back you fixed yourself on part of it and some of it then is no longer relevant. So I think if one is a good reporter, when he writes a story he has all the facts but he can only use a few. He has all the facts at his disposal and with his skill he takes all the facts and tries to represent them in the best fashion he can.

I think the case you brought out is just being nit-picky for the one fellow that didn't get quoted. The other point of it is I think important. When you listen to people discuss stories you have written, if you give the same story to five people and let five different people read it you will find that five people found five different things wrong about it.

Senator Prowse: What would happen if you let five people get a story and let five people write it?

Mr. Drea: You have two myths there. The first one was, if I recall...

Senator Prowse: The first one is...

Mr. Drea: They don't get the facts straight.

Senator Prowse: That is the myth.

Mr. Drea: I really think it is entirely a myth. I think probably in about 95 percent. I am perfectly prepared to concede that we live now in a very complex time and while anybody could do an interview with anybody 20 years ago and be able to function, ask a few questions and say "Will you please explain it" and get in and out in ten minutes and write a story intelligibly that meant something, I don't think this is possible any more. It certainly is not in politics any more; certainly is not in science.

I know if I was told to write a story about computers—I don't know a thing about computers and I don't like them and a lot of other things—it would probably take me a month before I could understand what the man was talking about even when he tried to bring it down from his level.

I think there is some truth in that and when I say "some truth" I want to qualify that because the usual thing is, and this is particularly prevalent in Government: "Don't tell them anything. They screw it up. Stay away from them."

Now then the point there—I don't think it is a conscious decision to hide information or conceal information that should go to the public. What really is being said there is "This is very complex and unless we are prepared to spend five or six days explaining it in great detail so it is understandable and an understandable story can come up, then it is best not to tell it. Since we are not prepared to spend that time in providing some kind of background—okay."

Mr. Carruthers: I can give you an example. The Agriculture Department today in this city has this attitude on DDT. They are not hiding the facts but they don't want to give you the facts because they figure they are too complicated, and it is as simple as that. I have been refused.

Senator Prowse: Here in Ottawa?

Mr. Carruthers: Yes. There are publications. This is not available to the press.

Mr. Drea: This leads to "They take a few facts, a glimmer of something and blow it up."

Senator Prowse: A good imagination and a facile pen?

Mr. Drea: Yes. There is always going to be speculation about significant people. I think this is something that comes naturally. Let me put it this way: I think there is a good deal of speculation in Ontario at the moment that the Premier is going to vacate his office. Now then when he takes his press secretary, who has been with him since the beginning, and the press secretary takes another job this leads to speculation that it is just about said and done that he is going to go. I think that is a very valid speculation.

Senator Prowse: I got fooled in Alberta on the same thing once.

Mr. Drea: I think this is a judgment. This is taking a small fact and blowing it up.

The Chairman: Have these speculative stories appeared?

Mr. Drea: Yes. What I want to come to is when people say they took a little thing and blew it up out of proportion. Invariably when that happens a particular few facts are not the best in favour of the individual. When they take a few facts and blow it up that are favourable to you, they are geniuses but when it is the other way around we don't like it.

Again I think it comes to the point it is a judgment and there is no sense kidding anybody, there is no such thing as an objective news story. Anybody who tells you that is goofy. The only way you could get an objective news story is to almost have somebody without a mentality doing it through a computer and have the computer programmed to take out all the bias and so forth. It is a judgment.

The Chairman: Do speculative stories indicate in the news story that it is a speculative story? Does the reporter say "Premier Roberts may be going to resign" or does he sometimes say "Premier Roberts is going to resign?" Which should he say?

Mr. Drea: Well if he knows he is going to resign, he better say he is. If he doesn't know or he is speculating he better say "may".

Senator Prowse: Informed sources...

Mr. Drea: Yes. I don't like "informed sources".

The Chairman: That was my next question. have been getting a good deal of mail in the course of this inquiry and several people from all over the country have written to me on the same point: the question of a story which says "Sources close to so-and-so" or "Un-named sources, usually reliable sources". Is that a valid technique?

Mr. Drea: Professionally I would not use it. I think this "informed sources" business leads to management of the news. We are not kidding anybody. If we are talking about a political person and we say "informed sources" that means that one of his associates has spread the news. It is a managed story.

If Mr. Trudeau is supposed to do something and is going to do something and wants to fly a kite, then it becomes "informed sources" and

it is flying a kite. I personally would not. Either he is going to or not going to and it is based on my judgment.

In the United States there are informed sources. There are degrees of informed sources. The State Department is going to do this but you cannot say "The State Department" so you have to use this code to get around it. They don't want it to appear in black and white they are going to do it even if they are. This is starting to come to this country.

The Chairman: Before you leave that, have any of the four of you in your entire experience ever seen an "informed sources" story or "usually reliable source" story made up out of whole cloth? A fake?

Mr. Drea: No.

Mr. Goodman: Yes, in Washington.

Mr. Corelli: You would have to qualify the answer by saying none that we recognize. There might have been lots.

Mr. Drea: If somebody floated a hoax that good it would be all over Canada. Of course we have been talking about one level. You have forgotten there is a checkout. Newspapers are the first industry to put in a quality control. Long before industry did, newspapers put in a quality control because they didn't take the pearls of wisdom from the reporter and put them in type. They put up a copy desk to make sure he could spell and then put in real quality control. If you are going to put through some kind of a story that is not true, somebody is going to catch you. It is easier to fix a football game than it is to fix a story on a newspaper. All you need to do on a football game is two or three but on a newspaper you would have to pick nine people and hope that one of the nine didn't get sick that day and some guy came in who didn't know the thing was on and it would get in the paper.

I think what people tend to do is they look at a speculative story by a reporter which he has written in his best judgment—he really thinks it is going to happen and he writes it. Then it doesn't come true for any one of a dozen reasons. Maybe he was wrong in the first place. Then of course they lump it altogether in the cherished old bit, "You can't believe anything you read in the newspapers."

Senator Prowse: Would it be helpful for the newspapers to stop being so modest? Would it be helpful if they wrote a few stories on the

editorial page or the opp-ed page or a straight feature story explaining these problems you have to the public? I don't remember ever reading in a newspaper the story explaining the troubles you have getting the news as fairly as you can in front of the public.

Mr. Drea: I think it might have some value, Senator, but I don't think the public would appreciate it. The public doesn't care how you get the story, they don't care if you get beaten up or killed. They couldn't care less about it. All they want is their dime's worth.

Senator Prowse: In other words you are going to have to live with this.

Mr. Carruthers: It is on an individual basis. I run into a scientist who says "I don't want to talk to you. Twenty-five years ago a reporter from The Journal made a mistake." This happens all the time. The only way you can do it—and this is one of the reasons the Society is being formed—if you get people who are concerned about doing things properly, perhaps getting rid of mistakes that do occur—the reporter deals with one person and does a good job and then the public will individually slowly but surely realize there are problems but at the same time things can be done properly.

Mr. Drea: I don't believe some of the things that are bandied about. One survey says that 45% of the people don't believe what they read in the newspaper...

The Chairman: What survey?

Mr. Drea: The Gallup Poll. I don't believe in this. It means that three-quarters of the nation are absolute utter fools because they go on spending their money on something they don't believe in. It defies credibility. Would you pay a dime day after day for something that was not true?

The Chairman: Well, I still don't know who won the hockey game, the Leafs versus Pittsburgh. I will pay a dime to find out.

Mr. Goodman: It seems to me that what we are talking about really boils down to gut criticism, the gut of what it should be doing, what the Society is about, trying to define what the news should be and what standards should be applied or what competence should be required to gather news and distribute it. By "distribute it" I mean in terms of getting it out to the people.

Surely the news that is relevant in terms of judging a morning newspaper in Ottawa is how it is covering national affairs, not how it covers the Toronto Maple Leafs last night and the technological problems involved.

All the questions that Senator Prowse has been raising really devolve to the standards you want to apply to news. You start from there and the fundamental question really is: what is freedom of the press? The publishers will try and have tried to answer the question to some degree. I would submit that I consider myself in this context as a reporter and the reporters have at least as much at stake in that definition as any publisher does.

What is our right in the first instance to gather news and to publish it? What is news? Surely this is the key question that you should be raising. Why do you print that and not that? What is the judgment brought to bear? Who suggested this story should be in the paper and this should not? When you can define the two fields you can say what kind of people are eligible and what kind of competence do they have to be able to carry out these duties.

At that stage you then have a structure of standards and competence which, since we are fairly good communicators most of the time, we think we can set out in a body of writing and establish that.

Now if the Committee, for example, come out with a report and tries to define what freedom of the press is, what it really amounts to: is there any special privilege to the publisher? Any special privilege to the reporter? Really an extension of the public's right to know? These are things that publishers in the United States do say, they have special privileges, special exemptions. There is the anti-trust laws and we have publishers here who say they should have exemptions from estate taxes.

Now if it is right to have a Canadian press and you feel you have to have an estate tax for it, surely this is the right of the public you are looking at. It boils down to the fundamental questions about freedom of the press, what it is; news values; what news is and the competence and standards of the people who should be in the profession.

With this body of information you can apply it against your daily of 20,000, against any one of the Toronto papers, against a medium sized paper, and a member of the public looking at these standards, and looking at the newspaper, would then have some way

to judge whether the newspaper was carrying out its responsibility as a group of informed people defined it. This seems to me the fundamental premise which should be examined.

When you talk about estate taxes without any relevance to what freedom of the press is and what its responsibilities are and when you talk about the price of newsprint without relevance to whether the press has any special privilege or status in Canada, I think you avoid the main issues that this particular Committee should be looking into.

Senator Prowse: I think it should be pointed out at this point that most or at least a number of the people who have appeared before this Committee have dealt with the question of exemption from estate taxes in the larger area.

Mr. Goodman: What have they said about the larger area?

Senator Prowse: The larger area should apply to all estates. Some specifically said "We don't think we are entitled to this alone but we think that it is a problem we have in Canada and if you want to keep the ownership in the hands of Canadians or want to keep individual family ownerships then this should be a general thing and we should get the benefit of it."

Mr. Goodman: You have a Commons and Senate Committee looking at taxation with massive documents and a whole battery of experts. Is taxation what you are about?

Senator Prowse: Just a moment. Are you suggesting that he should not point out if he believed it to be true and if he feels that one of the reasons for it is the impact of estate taxes, now is that not a valid thing for them to talk about and a valid thing for us to listen to?

Mr. Goodman: All I am suggesting is you have to go forward. I think you have considered going backwards. You have to say "Why does the press exist? What is the purpose? What is the function?" If it is right there should be a number of independent voices or at least you need to preserve the press then you look at these things. What I am getting at in this context is there should be more discussion about what the freedom of the press means. It is a hackneyed old cliché. What does it mean?

The Chairman: May I say to Mr. Goodman, Chairman of this Committee I think I have

attended every minute of every session and I must say I could provide you with reams of material in which publishers and others have attempted to define freedom of the press. I must say in fairness that practically everybody here has taken a run at it. The newspapers of the country haven't chosen to carry all the definitions, nor do I think they should have. I don't blame them but I must say I think we have had a pretty exhaustive discussion of what freedom of the press is.

Mr. Corelli: I wonder if I might interject something here, Mr. Chairman. I think he raised a good point. He apparently is of the opinion that things like succession duties and estate taxes, while perhaps relevant to the inquiry, surely are subsidiary to the central issue. I think they are strictly subordinate clauses in the whole structure.

Could I take this one step further? I am only speaking personally here but what I would like to see come out of this Committee as an individual working reporter is some kind of recommendation which would help us as a group of people to get busy on doing things that Mr. Goodman talked about: defining the right of the press, defining standards and practices, defining and approaching an opinion of freedom of the press and things like this as a group of people writing things that appear in the paper.

One idea that occurs to me, and I throw this out for consideration, is that newspapers of this country have already demonstrated for many years the value to each of them that accrues from co-operation in the gathering of the news. The Canadian Press demonstrates the fact that when papers get together and pay the shot they can get more for their money than if they attempt to do it individually. Would it be reasonable, I wonder, to consider the same kind of newspaper head tax, if you like, for the purposes of establishing a secretariat for the profession of journalism in this country which would be located in a central area and staffed with people devoted to research activities of a clearing house, to the creation and the application of standards to the people working in the industry? Let's call it anything you like, let's call it the Canadian Society of Professional Journalism Secretariat. Why not? Why shouldn't they get the money? And have this thing financed by the newspapers. Who stands to gain more from a higher professional standard than the people who employ the reporters? Surely if the survival of the Press in Canada is ger-

mane to this inquiry then the quality of the product is germane because if there is no quality it is not going to survive no matter what you do about estate taxes.

Senator Prowse: How about the Managing Editors' Conference?

Mr. Corelli: I have never attended one, Senator Prowse.

Mr. Goodman: I haven't been to one either.

Senator Prowse: Well, what about it?

Mr. Goodman: I don't think they are sufficiently concerned, nor are the American Managing Editors. They finally got around last year to trying to set together for the first time guidelines for managing editors.

Senator Prowse: There has been a mass of stuff produced by various people in the States.

Mr. Goodman: The Sigma Delta Chi have evolved to look at standards particularly in close relationship to freedom of the press and have been one of the most formidable forces in the United States on freedom of information. What I am suggesting here is it seems to me you start from a definition of what these responsibilities and purposes are. What we are trying to do is establish, in a written form that will have meaning, standards for people who are in the profession. I have also suggested it is as at least important to reporters, people who are working in the profession, to be able to define these things as it is for publishers or anyone else.

Mr. Carruthers: If I may interject, you are concerned about the mass media and the Canadian public. When they think of the press they deal with the individual reporter who comes to them and he writes something and it filters down or up and finally appears in the paper. As far as the public are concerned the journalists are the press because what they do is what they see or hear on television. This is the essential thing. They have to have confidence in us. Again this is my personal opinion.

Publishers, it is very nice for them to talk about what they consider to be the problems of newspapers and what they are trying to do, even if they are trying to do something and even if they are trying to prevent something from happening, but it is what the people down at the bottom are actually doing that is important.

The Chairman: I asked a moment ago about the Managing Editors Conference. Isn't the question of standards and ethics something which the Guild might be interested in?

Mr. Drea: Yes, I think they are. Mr. Rupert when he appeared before you had some statements to make on questions of privilege which certainly is a very important professional point. I will take a plunge at this because I belong to the Newspaper Guild, I have belonged to it for some years and served in office on it.

The Guild is no longer in a position, let's be frank about this, to really do anything about professional standards in Canada for two reasons. One, they are an industrial union and do not have the time nor the inclination to set up something along the lines of Reuther's Skilled Trade Department in the Auto Workers. They have a separate section recognizing the fact that they have different interests, and professional standards are one.

The Guild is too small and cannot do this or it won't. I prefer to think it can't. The second thing is the Guild in organizing in Canada has been a dismal failure. It exists for all practical purposes in Toronto and the west coast, in Vancouver and Victoria. It has no paper here in Ottawa and a couple of smaller papers and that is it.

Now we are talking about 135 papers so don't think you can rely on the Newspaper Guild to set up standards. That is why we started this. Believe me, after nine months of this is there were a structure that we could have gotten in and gotten control of and moving towards standards we would have. This is pretty difficult starting from scratch and trying to move forward.

The Chairman: Why in your opinion has the Guild been a dismal failure?

Mr. Drea: Organizing in Canada?

The Chairman: Yes.

Mr. Drea: It has been a dismal failure because we might as well face the very unpleasant fact there are in this country about less than ten publishers, there are less than ten corporate entities. You take the three chains and you take the Montreal Star, two papers in Toronto are independent and there is the odd independent scattered about the provinces, and that is it.

The second thing is the concentration of ownership and having been two years in the

union business that is a tough nut to crack. Now the second thing is the Guild is a very small union. I think the Guild has around thirty-odd thousand in both countries. Economically it is not viable, therefore they don't have the money such as the Steelworkers with a million people or the Auto Workers with a million people to go out and organize. It costs money to organize. There are exceptions but unless it is big enough to undertake the long term campaign there is just no sense making out cards and sending out cards saying "Why don't you be a good boy and join the union?" The guy says "Why should I?" I think it is as simple as that.

Why is there not a Newspaper Guild in Winnipeg? I think for the very simple reason the reporters in Winnipeg don't want a Newspaper Guild. If they wanted it there are legal procedures; they could go through the Manitoba Labour Board to get it.

I think when you work for a chain newspaper that you have very great qualms about doing something that the owners will not like. Now this may be right or wrong but I think you still have very grave qualms; plus when you work for a chain newspaper you have to take into account that you can withdraw your services and you don't hurt them very much. They have a whole big pool and they can bring them in.

Senator Prowse: And there have been examples of this.

Mr. Drea: Yes, certainly.

Senator Prowse: I was not asking, I was saying.

Mr. Drea: The Peterborough Examiner. Oshawa—the Guild could get a small newspaper not because it was the Newspaper Guild but they got a small newspaper because the United Auto Workers and the Steelworkers in Oshawa had a long legacy against The Oshawa Times and the Steelworkers and the Auto Workers and the Seafarers, of all people, put the muscle on the picket line and he police—it was a union town and the police were not going to escort anybody through and that is the way it went. That is the fluke. It didn't happen in Peterborough which is not too far away, about the same size city.

I think myself in all fairness if I was organizing for the Guild I would have some qualms about going to employees of a small newspaper and saying "How about signing the card

because we are going to take you on to better and better things." I think I would have some qualms of conscience about that because I think I would be taking them one way and that would be into an abrupt shift of jobs.

Senator Prowse: Without opening up the whole area, which I don't think would be useful to you or us here, in other words your organization proposes to fill what you consider to be a necessary gap by setting up a professional organization for the people employed in the editorial news departments of newspapers and radio and TV. Is that correct?

Mr. Drea: Yes; plus another aspect to it, Senator. If it were the Guild you could not employ the talents of Mr. Goodman because Mr. Goodman is management and a lot of senior people in the profession who have a great deal to contribute are management. With a professional society you can bridge the gap. You are not confined within the structure.

Senator Prowse: John Bassett told us that in his opinion the calibre of reporters in Toronto and the wage scales they were receiving were higher today because of the Guild than it would be had there not been a Guild in Toronto and he felt he was able to put out a better newspaper. Would you agree that is probably true?

Mr. Drea: Yes.

The Chairman: Might I suggest, Senator Prowse, to give the reporter a break and give ourselves a chance to stand up, that we have a seventh inning stretch and adjourn for just two or three minutes, and then reconvene.

Senator Prowse: When we come back I have one new area.

...Upon resuming at 11.25 a.m.

The Chairman: If I might call this meeting back in order. Senator Prowse, have you a line of questions or just a question?

Senator Prowse: No, a new line.

The Chairman: I might just turn to the others.

Senator Prowse: Yes. That is why I told you beforehand.

The Chairman: Senator MacDonald?

Senator MacDonald: I was wondering about your society, what are the qualifications for

membership? About how many members you have and is it a Toronto based society or do you take in persons outside?

Mr. Drea: I will answer it going at it one at a time. We took over the existing membership of the American professional society in Canada so that we do have members across the country but we decided if we were going to have a society which was meaningful at all we had to start out on a gradual basis because this is a rather large country.

We decided the first thing we would do would be to organize very extensively in Toronto and then carry that out throughout Ontario. Then when we were in a position, we would go into the Maritimes on one side and into the West on the other side. That is why at the moment it is somewhat top-heavy with people in Toronto.

Senator Beaubien: What about Quebec?

Mr. Drea: There are two organizations, the English-speaking organization which appeared before you. We are attempting to enter into a dialogue with them, as a matter of fact we already have, whereby perhaps they would come in with us or at least there would be some kind of link-up, because they have different problems as English-speaking journalists in the Province of Quebec at the moment and they feel they have to have a separate organization.

The French Society have their own organization and they are making certain proposals to the Government of Quebec. We honestly don't think we are capable of entering into a dialogue with them because they represent French journalists almost entirely. We do not represent journalists entirely across the nine provinces. When we get to that point or close to it I think we can talk to them on an equal basis.

To come back to Senator MacDonald, the second question you asked...

Senator MacDonald: How many?

Mr. Drea: We have right now about 80 since we have started to push this, and quite frankly because of this Committee. We have brought in excess of about 45. So this is a long slow process. It is always very difficult to set up an organization where you cannot promise immediate tangible results. We are talking about intangibles that may take years but we are moving along because we think it is our responsibility. We don't think it is the responsibility of the Government of Canada,

we think it is our responsibility. If we can't do it then it becomes a matter of concern for the Government or the public. I think we at least deserve a chance to see if we can do it ourselves. I think it would be much better if it were established by journalists and became self-regulatory.

I think there is always the fear, particularly in something as sensitive as the press, that anything launched by the Government might, no matter how well the intentions, in the future come to be some kind of infringement. That is why we are doing it that way.

Senator MacDonald: Earlier you mentioned the fact about legal and medical societies being self-governing bodies. My impression was that is a pattern you hoped to follow in yours. In those cases most also had provincial organizations as well as national. You are concentrating now in Toronto or Ontario. Could you not at the same time start your organization in other provinces?

Mr. Drea: Yes, we could. We would like to show them before we went to other provinces we would like to show them what we have been able to do in our own. I agree with you that if we are successful and this does become a national organization, it would of necessity then have to become perhaps not provincial but certainly regional. I think the problem and outlook and almost everything in the Maritimes is quite different than Toronto and things in Toronto and the rest of Ontario are quite different than when you go to the West. I think there is a need for a national one and then to break it down there is a need for a provincial one and to break that down even further if not a big city there is certainly a regional one and the essence of the thing is being able to communicate within the community.

Mr. Corelli: I wonder if I might add something? I would like to go back to the reference I made to a permanent national office for this society. I think if we did in fact succeed in achieving the agreement, as one way of doing it, achieving agreement among newspapers that they would finance the operation of this central office for this society.

Senator MacDonald: Might I interject right there? Why not your own society rather than asking the newspapers or somebody else?

Mr. Corelli: Perhaps it is conceivable but the only thing that occurs to me is the amount of money involved to do a thing like this. We probably couldn't raise it among

group like this. Maybe after we became professional...

Senator MacDonald: There must be thousands of people eligible to join your society?

Mr. Corelli: Actually very few. The daily newspapers have a combined editorial staff of fewer than 2,000 people. Now if I might finish that... If we could establish a central location, which was not necessarily an extravagant one but neither a shoe-string operation, from this central point we could perhaps begin through the dissemination of information and through the use of communication, which we are supposed to know something about, we could begin perhaps to raise the standards in other parts of Canada where they could stand to be raised a little.

Senator MacDonald: For example, from the Maritimes what I had in mind was that when Toronto says "You raise the standards," other parts often times say, "Leave the standards as they are."

Mr. Corelli: Well, I worked in the Maritimes and I can tell you that is not the case now, from my experience anyway.

Senator MacDonald: That is 20 years ago.

Mr. Corelli: I was down last year and things don't look any different.

Mr. Drea: Senator, there is one part of the question I didn't answer and I will read you the qualifications:

"Any person employed at least two years in the direction of editorial policy or editing or preparation of news and editorial content of a newspaper, magazine, press or syndicate service, professional or business publication, radio or television; or is a teacher of journalism or student of journalism at a recognized college or university; or any Canadian who is or has been a member of the Sigma Delta Chi is eligible to become a member."

Mr. Carruthers: Might I add, Mr. Chairman, one thing in addition. We are interested in the members of the electronic media and within the profession itself we are just as interested in our female companions; unlike the Press Club in Ottawa, and I think we have got a number of members who are women.

Senator MacDonald: As long as the person has been working for two years there are no

other qualifications? You don't care about educational qualifications?

Mr. Drea: No. I don't believe in educational qualifications. If they were put in they might throw me out. I don't think you get any of your ability in the profession by the fact that you went to school for two months or twenty years. It is what you are able to do.

Now just to come back to something which was raised about the Maritimes, there is some resentment that the hot shots from Toronto come in and tell them how to do it. I think it is a very valid criticism. We certainly would not tell them what we expected them to do. We would expect them to take a look at their own surroundings and as professional people to elevate themselves. They would make the decisions as to what they consider to be fair professional standards, which I would certainly think would be in the broad sense the same as ours, and how they implemented them, that would certainly be their own decision because I agree with you; I don't think you can impose what is in Toronto or what is in Montreal or Vancouver upon the rest of the country. You have to be realistic. Whatever criticisms or shortcomings there are in the Maritimes I am quite sure if the Maritime people wanted to come here and take our places now, with not too much effort they could show some of the shortcomings in Toronto.

Mr. Corelli: I would like to clarify a point. I seem to have made an impression and being a Maritimer myself I am not anxious to say that the Maritimers are bringing up the rear. What I am saying is I think it follows necessarily that standards of professional practice in the larger papers, which by an accident of geography happen to be in Upper Canada, are going to be higher than those in smaller papers both in the Maritimes, Ontario, or anywhere else. I am not talking about a geographical schism but a kind of desire on the part of us, if you like, and I am sure everybody else too in this business, to raise the standards of the whole business wherever. In other words, I am not suggesting that Toronto is at the top and all the others are down there some place. I am pointing out what is an industry-wide need. The only reason I say from here we will do it there is because I would envisage a national office if established being somewhere up here.

The Chairman: You don't think the standards of reporting in Toronto are higher than those of Halifax?

Mr. Corelli: Oh, yes they are. They are also higher in Toronto than they are in Guelph.

Senator MacDonald: Okay. We will concede for a moment that the Toronto standards are higher though I will not guarantee it. Is it your criticism of the Maritime papers, for example, that it would equally apply to smaller towns, for example, in Ontario?

Mr. Corelli: Oh, sure. Actually this brings out, you know, a thing I mentioned before. There is a strange division here between the newspapers and their year-in-year-out quality, if you like, and the professionalism of some of the people who work for them. As I mentioned in the beginning some of these men in small cities—in Sydney I can think of Don Mackenzie and on the Old Cape Breton Post, Ian McNeil—I think he is still the editor of the paper—they are first class reporters and you couldn't find better men in the country. Yet for some reason or other this ability of theirs, this extremely high competence of men like MacKenzie and McNeil all across this country, this competence never seems to get through to the product they work for. Why this is I don't know. It is a phenomenon and never seems to make the paper into what these people are.

Senator MacDonald: I don't seem to follow you.

Mr. Corelli: Let me put this to you: there seem to be at work here two sets of qualities, if you like, two measurable things you can look at. You can bring a good reporter from the Maritimes and put him to work in Toronto and he would move in there and operate on a par or close to a par with the average reporter on that paper. He would not be distinguished by the fact that he was a bad Maritime reporter. He would be able to handle the job with no trouble. His copy would contribute to the overall worth of the newspaper.

But when he is back where he was, when he is back there working, his stuff does not seem to contribute to the raising of the calibre of the newspaper. Whether it is because he is in such a minority, whether it is because of editorial policies, whether it is because of editing, whether it is because of the play that stories get or the judgment that goes into them, I don't know what it is but good reporters do not necessarily, if there are too few of them, make a good newspaper. Obviously if they are on balance good then the newspaper will be too presumably; but one or two can't do it alone.

The Chairman: Have you a supplementary question, Senator Prowse?

Senator Prowse: Is it not what you are saying to us this: the analogy would be, let us suppose I am a five handicap golfer and want to get into the professional class. If I am only playing with people that have a 15 or 20 handicap I have far less chance of getting into the professional class than if every match I play is going to be with the fellow who is a professional and has no handicap. Is that not the same situation? In other words, the fellow in a small newspaper has not got somebody better around him from whom he can learn and who will provide the impetus for him to improve.

Mr. Corelli: Right.

Mr. Drea: I think it is true in any business you want to go where the action is and the top part of it. Toronto says they have the best reporters in Canada. Of course they do, they strip the rest of Canada and make it economically worthwhile for people to migrate into Toronto and they build up and form large staffs of professional people.

Senator Prowse: Money and prestige?

Mr. Drea: It is not so much money as it is prestige. Nobody goes into this business to make money. There seems to be an idea that the simple solution... I think we have to talk realistically about money in this business. There seems to be the idea that the simple solution to getting a higher class reporter or better papers is all you have to do is double the salaries and sit back and watch. I don't think this is true at all because the people who go into this business basically do so because they want to do something. They feel they can do whatever they want to do in this world in this business; something not only for themselves but the entire community.

If you want to put money as the level you can but obviously then nobody would want to be a social worker, nobody would want to go into the clergy, nobody would want to go into the civil service. I don't think that anybody would argue that if you double the price you get a better Deputy Minister. I think certainly there are pay levels that have to be established; a person has to have a decent living, there is no question about that.

I don't think it is so much a question of money as a question of prestige and the ability to do something. If you are on one of the afternoon papers in Toronto then you can do

a great deal. You get chances to do a great deal and whether you come through is up to you. You get a chance to go into the community and a chance to raise certain issues and to change things, to change legislation by some kind of forces. This is an attraction and that is why people come.

Mr. Carruthers: Now you people have been dressing Toronto reporters but reporters on the middle size papers and the smaller ones feel we can do just as much. We do run into problems but we are doing just as much or more so than the bigger papers.

The other thing I would like to point out is that when I first got interested in this strange business I laughed at my friends and asked Why are you going into journalism? You are going to start out at \$75 a week and be laying for 70 hours a week and getting nothing out of it."

By the time I decided to go into it I felt the same. I don't know why. Perhaps we are a bunch of idiots. We would love more money, there is no question about that. I think the guild in that respect has done wonders. Without the Guild we would not be making as much money as we are. Initially that is not why people go into it. I think that is very important.

Mr. Corelli: I would just like to disagree with Frank on something. I think education is essential to this whole idea of professionalism in this business. We will make a special condition whereby Drea gets to stay in even though he doesn't qualify.

I think if we opt for a professional standard in journalism we cannot say that education does not matter. Obviously it does. One of the problems is people coming into newspapers who can't spell; they can't put a sentence together; they can't construct a paragraph if their life depended on it. It is pathetic the knowledge of the English language which is so apparent today in graduate universities.

Mr. Drea: I was trying to say that you cannot exclude a person who has been in the business for 25 or 30 years simply because he doesn't have a college degree.

Mr. Corelli: This seems to have developed into a sort of dancing around the central issue of Toronto versus the world. While this may be a common condition I don't think it is germane to this discussion. As I say, maybe I labour this point to the ridiculous extreme, but if there was a professional organization, if

there was a centralized direction to this organization then presumably we could begin to do things like invite representative newsmen across the country to come to the central office wherever it is. God forbid it would be Toronto. We would not want to seduce them that obviously. So we bring people to the central office and for perhaps three weeks to a month or maybe a weekend of workshop seminars and things of that nature, things we decide that will be most useful. Through this sharing of standards of practice, concepts of standards of practice, everybody begins to become better. I think the value of this is indicated by graduates of medical schools.

A doctor who graduates from Dalhousie is no less professional than a doctor who graduates from the University of Toronto. The standards applying in medical schools are rigidly adhered to and there is a common denominator level. There is an acceptance of these standards of practice in any part of Canada. All a doctor has to do is write an exam and he is in business.

This is what we have to try to do. And we have to define what we are about. I think we have just talked about this for so long and pretty soon the exercise comes to the point where we have to say "What are we going to do about it?" We have been talking about professionalism in this business since I came into it 23 years ago and we are no closer to reality now than then.

Reporters are better because the demands on reporters are becoming more and more complex and diversified. That is the way newspapers are going. As far as being a professional organization or national we are not anywhere near it. If we don't get the assistance of some organization such as this, some group of men whose influence is perhaps going to push this thing into motion, we are never going to make it.

The Chairman: Now I think that Senator MacDonald had a point he wanted...

Senator MacDonald: It is pretty well covered. What I had in mind is this professional business. The doctors or lawyers have to have admittance by somebody; the Law Society or somebody says "Yes". Now if you are going to have this professional society you are going to have to have exactly the same thing which means there are going to be certain standards behind it.

Senator Prowse: And to exercise discipline over the members.

Mr. Carruthers: On this concept of education there are two important points that should be brought up. First of all admittedly in Canada a large majority of reporters who are working for the press now probably do not have what we call a university education and they do a better job...

The Chairman: A large percentage?

Mr. Carruthers: I may be wrong.

The Chairman: I don't understand what you are saying.

Mr. Carruthers: I am saying that a large percentage of the working press probably don't have a university education.

The Chairman: Would that be true for your paper?

Mr. Goodman: It is not true at the Star.

Mr. Carruthers: The point I am making is, this is changing. Education is not an essential part, as is shown by these people in the press now, but it is a very important part of becoming journalists, it is becoming increasingly more important as we are dealing with a more complex society and as we are dealing with things like science, technology and social issues.

Newspapers are now setting up people who are becoming sort of specialists, people who have a broader and larger knowledge about certain things like science and medicine. Then education becomes more and more important.

Now the discussion—I have to disagree with you here. This is one of the things that is going to go on between journalists. The point as to whether the Society should set up minimum standards—this is going to be a hot issue. Are you going to say that the Community College people are above or below it? I don't think it is so much a matter of minimum standards. It is the manner that we should push education not only before going into journalism but even continuing education for journalists. It is one of the tangible things. When people say "What can this do for me?", one of the things that I try to tell them is that perhaps as working journalists we will be able to set up mechanisms for you to get a continuing education and bring in people with more experience who are specialized in different fields and let them throw out ideas and share ideas and experience with you.

I don't mean to throw a lemon in here. Minimum education is a very very delicate

issue. You have so many people now who have proven that while it is not essential...

Senator Prowse: Education is just a short cut to experience anyway.

Senator McElman: How long has your organization been in operation?

Mr. Drea: The Canadian one since we took over?

Senator McElman: Yes.

Mr. Drea: Eight or nine months.

Senator McElman: How long was the one that you took over in operation?

Mr. Drea: Oh, I suppose 40 years but it was American. What it really had were people who had gone to school in the States or had connections with American newspapers. They belonged more I think for social reasons or professional reasons that it was entirely American. That was one of the problems, getting anyone to join in Canada.

Senator McElman: You have some 80-odd members?

Mr. Drea: Yes.

Senator McElman: How many in the Maritimes?

Mr. Drea: None. We haven't gone to the Maritimes.

Senator McElman: I understood there were members across the country.

Mr. Drea: The contradiction in it is that we inherited the lists from the Americans and therefore we did pick up the odd person here and there across the country. We don't consider it to be a national membership because there are one or two in Edmonton. If I received the mailing list correctly there was no one in the American organization in the Maritimes. We haven't gone down to ourselves.

Senator McElman: Would you think in view of the comments that you and Mr. Corelli have made that this should be one of your first points of emphasis because of the low calibre of reporting?

Mr. Drea: I didn't say "low calibre of reporting", Mr. Corelli did.

Mr. Corelli: Thanks a lot.

Mr. Drea: I didn't say there was a low calibre of reporting.

The Chairman: Let me ask your opinion...

Senator McElman: We have Mr. Corelli's.

Mr. Drea: I don't think you can make a blanket statement that there is a low calibre of reporting in the Maritimes. Some is good, some not so good.

The Chairman: Will you try to be more explicit?

Mr. Drea: I don't know how much more explicit I can be. I have worked in the Maritimes. I was with the Steelworkers organization in the Maritimes for quite a while and I dealt with papers in New Brunswick, Nova Scotia and Newfoundland. Some writing there found to be first class and some writing was low class. I don't think you can make a blanket statement there is a low quality of reporting.

Mr. Corelli: Nor did I make that statement, Senator. I did not.

Senator MacDonald: Let us put it this way: the calibre of the reporting in the newspapers in your opinion—I believe this is a correct interpretation—was far below the standards at there are elsewhere. Is this proper?

Mr. Corelli: As I pointed out, Senator MacDonald, I pointed out the existence of a fact. I think the reporting, with respect, the almost obvious inference is that reporting on papers that spend \$60 a week for a reporter is going to be of a lower calibre than the newspapers that spend \$200 a week for reporters. It is partly economic. For that reason I think it is also a question of the trend, the movement, if you like, the escalation in status and so on is of these bigger papers. You know The Toronto Star is heavily populated with guys from papers all over Canada.

Mr. Goodman: I can answer your specific question. We would not go into the Maritimes as a matter of priority. The policy of the Society is to provide resource people and besides putting down a body of statements on what the job is to provide somebody who can lecture on legal writing and what it implies and so forth. Until we can provide this body of knowledge and set up seminars in the Maritimes and conduct week-long workshops, we would not get into that.

There is a question of getting resources together and at the moment most resources are in Toronto.

Senator McElman: Mr. Corelli and I agree that in the Maritimes there are some high calibre people.

Mr. Goodman: Nobody here has denied that.

Senator McElman: And the resources probably are there for your organization to move in and recruit and have them spread their knowledge and professionalism. What I am simply asking is in your objectives would it not be an area of priority in the interests of your own profession to move into such an area to try to upgrade?

Mr. Carruthers: I think that one of the problems is first of all before we can actually do something which we necessarily intend to do, start doing things, is going to take many many years to accomplish many of these things. We have to be able to obtain the confidence and interest of people who are going to be doing it for us, the working members.

One of the reasons that we concentrated our efforts in Toronto, Ottawa, London and a few other places in Ontario is so we can gain the interest first of all, capture the interest of people we are closely related to and then, you know, get these people interested enough to get resources and then go on to other areas.

For instance, you go into the Maritimes and take a few journalists in there and organize and in a few years bring up the professional calibre of the people who need to be brought up.

This is going to take a viable organization which means something to journalists. If we had thousands of dollars and our intent was to use the money to build up areas that were undeveloped—call it that in talking about the Maritimes—then I can see just going in and pouring money in where it was needed most.

Mr. Drea: I really think this might explain it. Going into a place like the Maritimes really is no different than going to Hamilton, very close to Toronto. It costs a little bit more money but I am out about a thousand dollars out of my own pocket so far getting it going. I think before we do it in a place like the Maritimes we have to be able to offer something and show we have done something in Ontario. The reason we chose Ontario is we could do it with the least possible expense. We have a concentration of people.

We could say "We have done it now and we are prepared to help you do it. It has

helped them in the Maritimes and you get yourself a Committee and you set yourselves up and you tell us how you want to help yourselves and what you want to do." Then it flows from there.

Senator McElman: I will come back to my question. Should this be an area of priority once your organization is going?

Mr. Drea: Yes, certainly. Particularly, I think, Senator, the journalists in the Maritimes suffer as much from the geography of the area as just about everybody else because the mainstream of communications in Canada is Toronto. There is no getting out of that. Magazines are published there, the telecast starts from there. It is the centre. The Maritime journalist is at a particular disadvantage compared to the western journalists because there is a block between him and Toronto which is Quebec.

Senator McElman: A block in what sense?

Mr. Drea: There is a communications block. There is a thousand mile gap.

Senator McElman: That doesn't stop communication surely.

Mr. Drea: Certainly it does. If you are in Toronto, reading the wire service in Toronto, you don't get very much about the Maritimes. I am sure much more happens there than comes across on the wire.

Senator McElman: Is that because of Quebec?

Mr. Drea: Yes, I think so; because the Maritimes are removed from the communications centre of Canada. They are a thousand miles away.

Senator McElman: But communications are instant.

Mr. Drea: They are and they are not.

Senator McElman: What is the relevance?

Mr. Drea: The press is not instant communications.

The Chairman: I think Mr. Goodman wanted to add something.

Mr. Goodman: The answer might be more in the area of interests. There are areas of interest in Quebec of great concern in that province but they are not going to be of great concern in the Maritimes or in Ontario. Sometimes it is hard to get that kind of infor-

mation coming into Ontario. One problem one of the reasons is the CP wire does not pull in as much. There is not so much demand in terms of the Quebec papers for that news and therefore it is circulated regionally rather than coming to central Canada.

Senator Prowse: Did you ever drive from say, Toronto to Edmonton?

Mr. Goodman: I have driven across the country, Senator Prowse.

Senator Prowse: Did you notice what I noticed, that you get a real map as far as North Bay and until you hit Vancouver from the Manitoba border you get no information as to where the camp sites are?

The Chairman: I think that is not a problem for this Committee.

Senator McElman: We have excellent maps in the Maritimes.

On the matter of finances, was there suggestion that either the newspapers or the Government should contribute?

Mr. Corelli: I suggest it might be an effective way to begin if the newspapers would be willing to bankroll this operation at least this initial stage.

Senator McElman: You don't feel that subsidy from this level would have any effect? You don't fear a subsidy from the area?

Mr. Corelli: I fear it less than any other source.

Senator Prowse: What about the Canada Council?

Mr. Corelli: I don't think they have enough to spare after their investigations on fifteen-century Egyptian agriculture.

Mr. Drea: I frankly think that if we went to the Canada Council for money we would lose our membership. When we use the word "newspaper" there is the collective newspaper, the Canadian daily newspaper, and that is a collective one so there is no individual responsibility or restraint. I frankly would prefer we got it out of our own pockets if possible.

I am a firm believer that the moment you take money from somebody, he is not giving it out of the goodness of his heart and that you are in a debtors position.

Senator Prowse: Have you incorporated yet?

Mr. Drea: No.

Mr. Corelli: If we did take money from the newspapers—God forbid—we are really all working for them anyway, to a certain extent we are captive of the newspapers if we want to go on eating.

I am wondering if the proximity of the newspapers to the interests of the Society is not such that this might be—this might gradually minimize any sort of threat. In other words, the newspapers presumably want a better product and if the reporters are the ones who are in perhaps the best position to make the newspaper a better product in terms of what is in it to read, then these two ends become very close together, I think. Does that not follow? In other words, I think if we kept it in the family...I agree with Frank that the ideal thing would be to pay the shot ourselves and we might be able to do it after three or four or five years and have a national assessment of some substantial amount of money to the members that would perhaps reduce that sort of money.

Senator Prowse: The Canadian Press got a grant from the Government to start with and so soon as they were on their feet they said "We don't want it any more because of possible implications."

Senator McElman: Mr. Corelli, in the light of your own suggestions I think we should have all the facts. Would you tell us what newspaper you worked on?

Mr. Corelli: It was east of...!

Senator McElman: Do you recall the name of the newspaper?

Mr. Corelli: Yes, I do.

Senator McElman: Would you tell us the name of the newspaper?

Mr. Corelli: I would prefer not to.

Senator McElman: Why?

Mr. Corelli: Certainly not because of any inclination to embarrass the publisher. I think it is purely a selfish motive, probably not easily defensible. I have some very good and long standing friends working for the paper, both good friends and competent journalists, and I would not want to have my remarks interpreted as a slur against the characters, personalities or abilities.

Senator McElman: This is one of the problems we have in getting direct information of this nature.

Senator Prowse: Would you give the information in confidence to the Committee afterwards?

Senator MacDonald: I don't think it is relevant to the question anyway.

The Chairman: Yes, I think it is.

Senator McElman: When examples are given I think it is quite proper that we ask for particulars of the examples.

The Chairman: How long ago was it?

Mr. Corelli: Twenty-three years.

The Chairman: Does the observation have validity in the circumstances that prevail today?

Mr. Corelli: I said that I was back there last summer and distinguished no visible change. If you know where I was last summer you are in business.

The Chairman: I think, Senator MacDonald, then this does become relevant. Perhaps you can tell us privately afterwards.

Senator McElman: We have been talking about myths and the ones that bothered you as professionals. Let me say first of all before I move into this, Mr. Drea, that I was quite impressed with the depth of your humility when you suggested after reading your brief that you in 20 minutes had done more than the Committee had up to the present time.

Mr. Drea: I must have a bad voice. I didn't say that. There was a very frank discussion and we did put into a condensed form... Senator Davey brought up the point that we were perhaps being a little bit hard-nosed in our approach about this, saying we were dismayed, and I replied that in 20 minutes I think there was a very good discussion; certainly not by me but by this Committee, on the fact they have heard a lot of reports about certain things that were wrong and when they investigated those reports they found out there was so little substance to them they couldn't be documented. There was so little evidence.

I must carry you the wrong way...

The Chairman: I think Mr. Drea's interpretation is a fair one, Senator.

Senator McElman: Perhaps you would not be surprised if I suggested that many of the matters you have raised in your brief and elsewhere have been probed at some depth; I think many of them if not the bulk of them.

Could you suggest to me why it is that these have not reached through to you and the members of your organization?

Mr. Drea: I have read...

Senator McElman: For instance, your conferees from Quebec, the Association of which you spoke, have covered many of the matters that you have covered in your brief and in your comments.

Mr. Drea: I have some comments about their brief; yes, I do.

Senator McElman: I am giving this as one example. Then in the course of questioning of witnesses coming before us we have dealt with many, many of the questions you have raised today and I think we have had some excellent testimony on it as well. Why has this not gotten through to you?

Mr. Corelli: Perhaps I can...

Mr. Drea: I frankly don't know.

Mr. Corelli: I have here, if you can believe what you read in the Star, I have a handful of news reports filed on these proceedings which cover approximately the most recent week. I don't see anything in here—which is not to say it didn't take place—nothing but the earlier critical issues—"It might not be a bad idea if all the papers were run by the same guy."

Senator Prowse: Is this an indictment of the press rather than the Committee?

The Chairman: Well, I think in fairness to all concerned, in fairness to the witnesses and in fairness to the Senators, I think these are observations which are better made after all of us have had a chance to study the transcripts of the evidence which are very long indeed.

In saying that I say that it is in no sense an indictment of the coverage that the hearings are receiving.

Senator McElman: I am asking why the fact that many of these matters which these gentlemen properly consider to be highly important, most important to them, of course, why the discussion of them has not gotten through to them. I think that is a very valid question.

The Chairman: I think it is. It is one we are better able to answer once we have seen the transcripts.

Senator Prowse: I think you are missing the point, with all respect, Mr. Chairman. We have been carrying on hearings since early December and we are about half way through, and yet these gentlemen when they prepared their brief and came in here this morning were of the opinion we haven't looked at a number of issues or examined a number of issues that everybody on the Committee, and I am sure any people following the Committee, would agree that we have. At least we have not finished examination but we have received a lot of evidence.

Now I am not suggesting this is being improperly kept out, but it perhaps illustrates better than anything else the difficulties of communication.

The Chairman: Perhaps, Mr. Drea, you could direct yourself to Senator McElman's question. Do you want him to re-phrase it?

Mr. Drea: No. You want to know why the work you have done here has not gotten through to me?

Senator McElman: Or any member of the group?

Mr. Drea: Well, we said here, and I went through this before: "Lack of testimony and Senatorial inquisitiveness..." There was or I can recall that was in Montreal. I have been sitting here this morning since about o'clock and nobody has asked me my qualifications to even talk here, which amazes me.

Senator McElman: Frankly, as far as I am concerned the questioning is just nice and underway.

Mr. Drea: I said that I had been in the business 20 years and so on and so forth. I was asked a highly professional question when we got into news judgment and how an interview is conducted and so forth and then it dropped off. Nobody asked me "How do you make a judgment?" or "How does anybody here?" These are things we are interested in and we say there has not been terribly much inquisitiveness, certainly not this morning.

Senator McElman: You have not given us much time to be inquisitive. You have been talking a great deal.

The Chairman: Senator McElman, I don't think that is a fair comment.

Senator McElman: I withdraw that comment, Mr. Chairman.

Senator Prowse: When I have a person who appears before me as an expert witness, if I ask his qualifications they are always going to be excellent. In determining what weight should be given to his evidence I ask questions and the way he answers the questions will answer my curiosity far better than his answers to a direct question. Does that tell you something?

Mr. Drea: Yes. I will come back to the Senator. I know what he is asking and I thought I gave a reply a couple of minutes ago. You said "How come?" You said "The transcripts will back us up" and so forth. Why don't you know?" I said "Frankly, I don't know." I have followed the press and allowed it on television and the only answer can give is that obviously in the professional judgment of the people who are covering this from the press and electronic media the questions that I consider to be, and this group considers to be important, have not seemed that important to them and they placed their emphasis on other matters.

The Chairman: I think that is a good answer. I think all of us, and I include myself, would read the transcripts and then I think we would be in a better position to make these kind of judgments. As far as your credentials are concerned, I think you and I and several others had dinner in Toronto some number of months ago at which time as you recall I asked you a good deal about your credentials. The very fact that you are the Fiction Line Editor of the Telegram and resident of the organization certainly qualifies you to come here and testify. I think little could be served if a person like you or Mr. Goodman or the others, or indeed the witnesses who have come before the Committee, we began a long series of questions on biographic information.

I realize you are not apologizing for being here. You are qualified to be here and we want you to be here. As Chairman I would not presume to bring you before the Committee if I didn't feel your credentials were all right. I think it is an unfair criticism of my colleagues that they didn't try to determine your credentials.

Senator Smith: I have a whole batch of notes and I want to be able to ask questions about education and training. I am sorry about the sensitivity and not mentioning that

particular subject. I was going to go into that and half a dozen others.

Mr. Drea: Excuse me. I was not being sensitive at all. I was asked a rather good solid question by your fellow Senator and I was attempting to answer it. I certainly don't think that he was out looking for something unusual. I think it was a good comment. I think his remarks were very accurate and in the course of that we kind of got on other things.

The Chairman: Senator Smith, I will come to you in a moment. We want your list of questions. I don't think that Senator McElman has exhausted his list.

Senator Smith: First of all I would like to apologize to Mr. Drea. I perhaps was getting overly sensitive because of some of your comments about the Committee and so on.

Senator Prowse: Scratch a Maritimer and you get blood.

Senator McElman: We Maritimers and Westerners have a lot in common.

Mr. Drea: I think you and I should quit while we are ahead!

Senator McElman: Earlier on there was considerable reference as to how you had asked for examples of covering up of news, prohibiting of news or whatever the terminology is you used, and that you had found none. Were you here last evening?

Mr. Drea: No, sir.

Senator McElman: Have any members of your organization been represented here following the activities of this Committee?

Mr. Drea: Directly?

Senator McElman: Yes?

Mr. Drea: I would not know. The people who are covering it...

Senator McElman: I am thinking as an association.

Mr. Drea: No.

Senator McElman: Then you don't have first hand knowledge. It is coming back to the other question. It is what you are getting through the media?

Mr. Drea: Yes.

Senator McElman: Last evening we had Professor Beattie giving testimony and in his brief and in his verbal comment he dealt very extensively with the so-called Dickens case in London. I don't know whether you are familiar with it or not?

Mr. Drea: The hot line man?

Senator McElman: Yes. We felt, or at least I felt that he had presented perhaps very strongly one side of the case so I asked him a question as to whether he had in fact interviewed the editor, I believe Mr. Heine, the man who was directly involved at the Free Press and also the top management man, Mr. Brown, and he said, no, he had not done.

Would you think that in such a circumstance we were getting a fair presentation of such a case, and would you think we did proper questioning to delve into a charge in that instance?

Mr. Drea: To answer your second question first, the answer would be "Yes". It is a serious accusation. In essence in a community where there is a great deal of concentration of ownership a man is removed from the job because he voiced opinions contrary to the stated policy of that concentration of ownership. I would think a Committee like this in your particular terms of reference would be most interested and I would certainly think that you would not be doing your duty if you didn't go into it.

On your first question, I think the only way I could answer that would be to put myself in the opposition of submitting a brief on behalf of Mr. Dickens as an outside person, which has happened, and if I was submitting a brief outlining the decline and fall of Mr. Dickens then certainly I think I would endeavour to get the other side of the story. If it was refused to me, obviously my hands are tied. Not to endeavour to get the other side of the story I think is not only ridiculous, it is juvenile. I could come and waste your time and so could anybody here with all kinds of unsubstantiated things and then you find the other side two or three days later and it turns out to be patently untrue.

Does that answer you?

Senator McElman: I should say immediately in all fairness to Professor Beattie that he told us he had interviewed Mr. Blackburn and also others at, I believe, the lower levels of management in both media.

I was wondering what your approach would be and whether we are following the proper course here because what I have gathered to be implied is the suggestion that perhaps we were delving without effect.

I refer to other cases brought before us. Now from my own standpoint there have been examples, and concrete examples, where news has been, by the evidence it would appear to have been suppressed. Now I am not talking about Toronto, and you were not able to find anything. Would you not feel that if this Committee were going out searching for such examples and bringing in one after another, that you gentlemen yourselves would be inclined to accuse us of muckraking?

Mr. Drea: No, sir. I think you would be doing a great service not only to the country but to the particular community where the news, if any, was suppressed.

Mr. Goodman: It is an honourable term of our reference.

Mr. Corelli: One thing I might be able to say, Senator McElman. I think the kind of things you are talking about—and I start with the generic description—often is perhaps suppression of news, meddling in news coverage by editorial direction of the paper. That is what you are talking about, deliberate distortion of the news.

Senator McElman: They are things you talked about earlier.

Mr. Corelli: Once again I am going to make a statement that cannot be proved or disproved.

I have never been, in the time I have been in the business, I have never been told how to write a story from the standpoint of policy, politics or the paper's vested interest in the subject.

Now obviously I have written lots of stories that have gone in the waste basket because they were not any good. This is a great lever. This is what happens and this is what keeps you trying harder the next time. But I have never written a story and had the editor say "You can't use this because it's against the paper's policy."

Mr. Carruthers: There is one thing that does come in. I don't know of any newspapermen myself who have been told that something is against the policy and don't do it. On the other hand I think we are all aware of a very hazy sort of sense that there are some

times policies from way above and whether these have been stated or not, they may have been created in the minds of people halfway down, but they sometimes exert a restraining influence.

Mr. Corelli: I disagree with you.

Senator McElman: This is the very point I was leading to. Now you have stated very clearly, and we accept fully, of course, your opinion about it. You say there is no direction to kill a news story and so on. Have you personally run into situations, or are you aware of situations where, let us say, the medium level of management assumes that the owners or publishers might not like certain things to be dealt with, and has it ever had an effect upon you or do you know of situations, without being specific, where this does have an effect?

Mr. Drea: I think to answer it fairly, I think when you start out in the business and when you are young there is what I call "the percolation theory"—don't touch this guy, he's a pal, this is a sacred cow. I think you get the feeling, "Don't touch him. He is a pal of the owner."

I think after a couple of months you find out that you are creating a false situation and that the thing doesn't exist at all.

What concerns me, as Mr. Corelli has mentioned, you have middle management, city editors and copy editors. Now then, people talk a great deal now about newspapers won't tackle the gut issues and a reporter with a social conscience is isolated and put out. Now he's a savior because he has a social conscience not accepted by the middle management, or is he so poor a writer that they don't know what he is talking about and if they don't know what he is talking about how can they publish it because the public won't know what he is talking about? This is one of the great dividing lines.

When we were talking about being discredited, you see, you get sessions of this Committee where people come before it and people say certain things and what I was talking about in the beginning was not what the Committee was going to do. I have every confidence in the world that you will be doing your duty as you see it.

What I am concerned about, and what I think other people in the organization are concerned about, is the legacy—the thing that is left over when the report is finished and forgotten and the Senate is on to other things.

This concerns me a great deal because it enhances this myth.

The Labour people come before you and what is going to be remembered from their presentation?

Again I am saying what was in the press and on TV and what is going to be remembered is the conspiracy of silence. Now this is not true.

The Chairman: Let me make a point. They believe it to be true. It was certainly the nub of their presentation.

Mr. Drea: I worked in the labour movement for two years. I was with the United Steelworkers from 1963 to 1965 and went all across this country and I didn't find any conspiracy of silence against the labour movement. Now in smaller communities it was somewhat difficult, not because they didn't want to publish it but because the reporter didn't understand certain things. Once they understood, the coverage was adequate.

Mr. Carruthers: You mentioned this is a problem with younger reporters and I think I can sincerely say it is probably true. I am fairly new in this business and this percolating effect that you mentioned I sort of experienced. I am sure most young reporters do. These things come from other reporters—Don't go too near this guy. Well, as one gained experience and a bit of expertise it is different. I have done a few stories recently that when I first arrived in Ottawa I would not have done because I thought perhaps the paper would not publish them or would have toned them down.

When it came to the crunch and when I turned out a story that I thought was good it was published. This may be the distinction. The only point I made originally was perhaps for a while members of our profession had the myth in their own mind.

The Chairman: You described the lasting impression which you have from the CLC presentation. What impression did you take from CDNPA presentation to our Committee?

Mr. Drea: That everything was rosy in the newspaper business and why are you really investigating it.

The Chairman: I asked that for a particular reason.

Senator McElman: On the CLC matter we endeavoured when these charges, or whatever you wish to call them, were made, we

endeavoured to tie them down to examples. I think this is very correct, Mr. Chairman. We were not too successful.

Mr. Drea: Oh, I think you were.

Senator McElman: Furthermore, when it was suggested that if there were examples that didn't come to mind at the moment or which they had documentation on elsewhere, we asked them if they would obtain documentation and put it in the hands of this Committee. So we still are very much open. We are not forming an opinion. But I think your comment is very valid up to this point.

Mr. Drea: What I would like to add, Senator, is that the implication of that was that the press in the country was deliberately isolating a very large section of the community. Now, the very day that that happened there were all kinds of labour stories in the paper. You asked for examples and whether it is ever going to be documented or not I do not know.

Now, what was done that day by the people here left the impression that labour not only gets a second class position in this country but also that there is a policy on at least one newspaper that they are to be treated as a bunch of hooligans; the editorial policy is to get the violence up there and forget about the egghead stuff. Now, on the day that it is happening the obvious thing that comes, I think, to the public mind is "Well, how would you expect the man, a very large capitalist, who is the owner and the publisher, why would he not cut the throats of those who are against him?"

On that very day you have in the paper a rather long article cutting the publisher's own throat, because it is going to cost him an awful lot of money if it ever came. It was rather gleefully reported that the particular event was going to come to pass and it directly affected two of his businesses and the thing ran in total.

The Chairman: We all know you are talking about Mr. Bassett.

Mr. Drea: I am talking about a rather long article I wrote, based on some conversations with a former associate of mine named Marvin Miller, executive director of the Baseball Players Association. There was a court case in the United States that would end the very restrictive clauses under the Professional Act. If they get in baseball obviously the hockey players will no longer have their re-

strictive clauses and so forth. The man that pays my salary happens not only to be principal in a hockey team but in a football team. My tone quite frankly was there would probably every chance in the world that would happen and so on. Now this would cost him a great deal of money and the thing remains untouched. Now this is hardly a conspiracy of silence about organized labour.

Mr. Corelli: You asked a question earlier Senator McElman, about middle management's interpretation of what top management wanted to do. These things have not happened to me recently but I did have a couple of funny ones in the past that might illustrate how they happen.

I think by and large there is a responsibility on the part of the reporter to check the things himself. They invariably turn out to be wrong.

I remember one time a newspaper I worked on had a policy which I was informed of—it goes back some years. The publisher was an avid golfer and the direction I got in my capacity as assistant sports editor was to make sure the results of the games played in the Golf and Country Club run in full every day. So I just put them in the paper. One day after this had been going on for weeks and weeks, the publisher came in the newsroom and he looked rather plaintive and turned to no one in particular and said "Why the hell are you running all these golf scores?" This is an example of the kind of thing that goes on.

Senator Prowse: The care and feeding of the boss was misleading.

Mr. Corelli: Right. It is perhaps strange and perhaps indicative of something that the incidents that I can recall all took place in areas that we have been talking about earlier as down the scale from perhaps the mildly maligned Toronto dailies.

Senator McElman: I have one point I would like to refer to. You were asking if there were examples earlier on and you asked whether anything actually had been brought forward. I would like your reaction to the example that was brought forward. I believe it was Senator Prowse when we had one witness before us, it was a document with a story about a new mill being constructed and the rather expensive and first class anti-pollution measures that were being incorporated into this mill. It had been released to a particular newspaper and the matter of pollution was highly current in that area with ac-

public, not with the newspaper. The documentation showed that although the story of intense interest in the areas was some, I believe, six to seven pages when it was filed, when it eventually reached publishing in that newspaper it was all in the first paragraph of the story and no more. It didn't get to the gut of the story at all and actually wound up within the obituary column at page 21 of the newspaper.

The publisher of the newspaper was asked—he had asked for instances. He had asked to be shown any instances where his newspaper had done anything improper. When he was presented with this, as I recall, his reply was that it was a dreadful mistake in judgment.

Now that being something of high current public interest, do you believe it is possible or such a thing to become just a dreadful mistake of judgment?

The Chairman: That might be a good question for Mr. Goodman.

Mr. Goodman: I do. There are, as I have found, some incredible lapses of judgment that can occur with very senior experienced people. I know from your point of view it would be nice to be able to pin down something as being a deliberate matter. You certainly can find instances of lack of judgment in all papers. That is the key—was there something deliberate? I am trying to recall an incident. I am familiar with lapses in judgment of that magnitude.

Mr. Drea: Anything is possible in a newspaper. I take it you don't mean they have dreadful lapses of judgment six days a week.

Senator McElman: Of course not.

Mr. Drea: Anything is possible because newspapers are not an automated procedure. You can have great judgments all the way up the line; you can have great judgments all the way up to the top and somebody has got a megaphone and it sits on the desk and gets cut into two paragraphs and you have to live with it.

Senator McElman: At the outset I believe it is as you who said we have been asking publishers certain questions and they are giving obvious answers: are you in favour of fatherhood, that sort of thing—And they say "yes." This sort of thing. Would it have been of value to say "Come on"...

Mr. Drea: I think he gave a valid answer.

Mr. Corelli: The unfortunate part is eventually you can run out a string of circumstances if you had enough examples. The problem is these things do happen. You have two stories on the same two subjects that appear in the same paper on the same day. How does this happen? You simply discover it and you throw it out. It is not only the fact there are frailties involved in human judgment but this judgment is exercised under extreme pressures of time and space. These two things together sometimes make this process go awry. I don't know what the percentage-worth is in a discussion like this but I would guess that the vast majority of things which the newspapers do which appear as errors are products of the process breaking down rather than anyone saying "Let's deliberately do this."

Senator Prowse: Well, it was to his advantage; and I am being unduly suspicious saying this; having in mind the kind of mistake that is made; the only time I get wrong change back, it is always short.

Mr. Corelli: If the circumstances are as you describe, I am sure you are.

Mr. Goodman: Did he do anything about it subsequently?

Senator Prowse: No.

Senator McElman: In the best of humour I ask you this question: we have talked a good amount about myth; could I have your reaction to what I believe to be a myth that has been assiduously sold by the media, and that is that the Senate is composed of eighty to ninety-year-old, doddering sleepwalkers.

Mr. Drea: My reaction; how do you mean?

Senator McElman: To that myth.

Senator Prowse: That is a risky question!

Mr. Drea: This image created by the press?

Senator McElman: Projected to the Canadian people over a long period of time.

Mr. Drea: I don't know that it has been conveyed lately to the Canadian people.

Senator McElman: I have seen some dandy cartoons.

Mr. Drea: Yes. I think you are in somewhat the same position as we are. You are portrayed erroneously; you have the public image, which is erroneous. You are all por-

trayed as old men and ladies. Just the same as a journalist is portrayed by image as a drunk, a screwball, an erratic, somehow always comes through.

Senator Prowse: The trouble is you don't always come through.

The Chairman: Do you have another question?

Senator McElman: Would you think an elevation of professionalism would perhaps overcome this in both areas?

Mr. Drea: Yes, I do. I think if more journalists had an opportunity to watch the Senate of Canada in operation, watch Committees like this in operation, they would come to other conclusions. I don't think it is fair to say that because a man is over a certain age he is a doddering old man. Certainly Senator Roebuck despite his age is far, far from being that.

I think one of the areas here, although it is not within the terms here, one thing that might be done is put the television cameras in here and let the people make up their own mind without editorial comment. Here you are, there you are, on the screen. They can make up their own mind.

The Chairman: This is not a problem within the immediate jurisdiction or concern of this Committee.

Senator McElman: I have a last question. I believe you said, sir, that you have been an officer of the Guild?

Mr. Drea: Yes, sir.

Senator McElman: At one stage.

Mr. Drea: Yes, sir.

Senator McElman: Mr. Goodman, you have not belonged to the Managing Editors Conference?

Mr. Goodman: I haven't attended a convention. I will go in May. All managing editors appear to belong.

Senator McElman: Before forming your own organization did you really explore the possibilities of working through these organizations to improve professionalism?

Mr. Goodman: When I was in the Guild, an officer of the Guild, I tried to get the membership at that time interested in professionalism and standards, and I didn't get anywhere

with it. And nothing seems to have changed even though I left it! I don't think the managing editors are the people who are going to do it. That is one of the reasons I am waiting for the chance tomorrow. The reporters have a stake in this. It is the living of the reporter. You as a person, as a minister, as a senator now are dependent on that person who is in front of you. Lots of other people can do things along the way. That man in front of you is the key judgment, the key resource, the key intellect. It is reporters themselves that produce the impetus and therefore that is where the impetus has to come unless the Guild joins everybody, which the Guild of course does not. It is once every two or three years. The Guild is going to set groups against each other. I think it has to be an all-embracing organization.

Senator McElman: You feel the formation of your organization was initially for these purposes, and could not or would not be served by either of these groups?

Mr. Goodman: That is right.

The Chairman: It is now ten minutes one, and I am anxious to adjourn the meeting at one o'clock, which leaves us ten minutes. I am afraid you fellows may be the kind of witnesses that we have had before who leave here and say, "They didn't ask this or that." We don't usually do this but I thought it might be helpful and perhaps the person who has the most practical working knowledge, of course our executive consultant, Bord Spears, and I think for the final ten minutes perhaps you could ask the questions, Bord, that we have not asked and that they might think we should have asked. That is a time assignment in ten minutes.

Mr. Spears: Thank you, Mr. Chairman. I have been personally fascinated with the whole discussion, and to use Mr. Drea's word "dismayed" at some things said and some things not even raised. One or two questions have been suggested in my mind by the participants here. A few needles have been stuck, and I would like to sink a small one of my own. As you gentlemen know, one of the first things you impress on a beginning reporter is that he would get the names accurately. Not right in the first page of your submission you list the five members of your delegation, and two are incorrectly spelled. I suppose this gets to the point of professional qualifications.

But my first real question is this: obviously your total concern is about professional

standards, establishment and definition of standards. One of this Committee's chief concerns is the same thing, the establishment of standards and a definition of what is freedom of the press.

Are you suggesting that because this has not happened; because it is left to you professionals in the business to elevate the professional standards, are you suggesting the publishers are dragging their feet? Why has not something happened there?

Mr. Drea: I am sorry, I lost you on that.

Mr. Spears: Are the publishers dragging their feet?

Mr. Drea: Yes, I think so, collectively.

The Chairman: He was also asking why.

Mr. Spears: Is their interest not the same as yours here?

Mr. Drea: Yes, in the broad sense it is the same, but in a limited sense I don't think it is. Naturally, the better the reporters they have the better the paper they will have. Also you enter into some other things like cost factors, and I also don't think the publishers are in a position as the owners to arbitrarily dictate standards. For instance, in papers that have contracts with the Newspaper Guild it would be impossible, and would even be denied in the courts certainly, that newspaper publishers could arbitrarily put in standards which would affect the reporters because the competence or incompetence of the reporters does not have to be justified by their professional board; it has to be justified under the terms of the Labour Relations Act. I don't think publishers are in a position to dictate standards. I think it is up to the people in the industry. I don't think it is the role of the government to dictate standards.

Mr. Spears: The ultimate responsibility for the product depends on the publisher. How can you shift him the responsibility for setting standards?

Mr. Drea: I am not denying him the responsibility. I am saying collectively they don't want to assume it. They have not summed it. I think we have to face facts.

Mr. Corelli: I don't know whether this is an argument or not. I think it is interesting that papers in the country whose standards are the highest are the papers with publishers whose concern for standards is the highest. I think the wealthiest papers, the largest

papers, which attract fairly easily the best reporters from elsewhere in the country, tend to have a professional standard inherent in the individual. Their concern is probably parallel and working together they enhance the product still further. The lower level of standards on other kinds of papers are probably a product of mutual disinclination to pick up the ball and run with it. Maybe on the part of the reporter this is an inability to know the standard is lacking and maybe on the part of the publisher contentment to rest with the product.

Mr. Spears: Are you saying a good publisher attracts a good staff?

Mr. Corelli: I think a good newspaper attracts a good staff, which might be the same thing.

Mr. Spears: Time is getting short. Marty, you were a little critical when you commented on the work of this Committee and said that you want the Committee to investigate the application of standards on the selection and presentation of news.

When your group was invited to come to this Committee this was one thing we hoped to elicit from you and you haven't got around to do that. I would ask specifically what criteria you yourself apply, what standards you apply. This is the question you put to the Committee.

Mr. Goodman: What I was trying to suggest was that the Committee might try and define some of these in a report which of course it would have to do through research and questioning as the Committee was in session. The standards I think Drea did define in terms of what we were looking for in reporters. At the early stage there was a definition of the type of thing that we would try and set up as reporters' standards.

The first question I dealt with was freedom of the press, the one you asked, and posed it as a right of citizens, not a special privilege, and from this flowed responsibility for certain kinds of news coverage. You would divide the news, I would think, into certain groups—what it is you have to have an obligation to put across: matters dealing with public affairs, public policy, things that are significant in the lives of people have to be reported in the press of the country.

We don't consider it adequate in our newspaper to simply let reports of the legislatures be covered, to be treated as another legislative story and it goes inside. We demand

these stories be given special attention because they are legislatures—Ottawa, Queen's Park, and the municipal.

I believe there is a necessity to try and explore trends. If I could define something, news events that happen at a specific hour are a traditional easy kind for the press to cover. Now there is an obligation to try and report stories of significance that are essentially trends. News stories in this category—I will give you one very badly reported for fifty years—the advent of the automobile.

Here is something that emerged in society and caused all sorts of changes in people's lives, and is still causing changes, and was never adequately reported by the media of any kind. This is the second group of stories which I think should be reported prominently and fully and newspapers should be aware of.

The third category of stories—the traditional kind of human interest stories, what is happening to people of interest in terms that are easily identifiable to other people, some good and some bad. Natural disasters, big explosions, stories of that nature. These are three areas you can apply standards of judgment.

The coverage of financial and economic affairs in this country is abysmal. It extends right down the line. I don't even think those papers which specialize in it do a particularly good job. It is hard to get people interested in that area. Collectively as a media it is a difficult problem to train people, to motivate them to learn more. I think it is possible. Anybody would agree this is an area of news which is rather vital for informed public discussion and public policy.

For instance, is the government performing well in the fight against inflation? To get a public consensus or informed public discussion you need able reporters in this area. I think it is possible to set standards and examine them against something in front of you—that is the newspaper—and determine whether it is being met or not.

Mr. Spears: Back to Mr. Goodman again. You did suggest you hoped this Committee in its report would somehow codify or somehow suggest the standards you are hoping to emerge, and the publication of this report would enable the public to make its judgment on the performance of the media. It has been suggested by other witnesses that the judgment is being made every day for every newspaper. It is already being put to the public test. Would you comment on that?

Mr. Goodman: I suppose that would be fair to say in Toronto, where if you don't buy one paper you can easily buy another one. I am not so sure is possible to make the same judgment in a one-paper town.

Now people buy papers for a variety of reasons. They may buy the paper to look at the grocery ads and see what steak is going for today. That person has to buy the paper to get that information but he may be absolutely dismayed, or may not know enough to be dismayed with the news coverage.

Mr. Spears: You seem to think the public not competent to judge the competence of newspaper?

Mr. Goodman: The public, as politicians know, is always competent. It is not for the public to make the judgment. This is a useful guideline for the paper. We are dealing with standards that are not very well articulated at this time. I don't suggest we have been able to help you very much or have been able to put before you a group of them. One of the reasons being that it is awfully difficult to try and get the membership to agree precisely what they were so we could present them.

This is traditional; for a field which communicates to people in writing, we have been very laggard in setting down our own standards.

Mr. Spears: Would you be willing to work on it and let the Committee have the results?

Mr. Goodman: We are working on it. Of course. The standards if they are then presented—I can give you something on that. The Americans have the National Commission on Violence and its report on the media to try and set down some of the standards. It's not just the public as a whole; it is the community; the professors at the community colleges and so forth; the opinion-makers and so forth are able to articulate judgments about the performance of their media, press, television and everything, against the standard.

Maybe the standard is not perfect but it begins to set out something against which there can be a public discussion.

Mr. Spears: Thank you.

The Chairman: Gentlemen and senators, even before Senator McElman's question to you, Mr. Drea, about senatorial images and your reply, it had occurred to me that senators and journalists have indeed a great deal in common and one of the things that perhaps

we have both demonstrated is over-sensitivity.

I think that your very presence here and the comments that you have made at least begin to meet some of the objections and objectives set forward in your paper, and I can only add to what Borden said in his final question: if you or your membership have additional thoughts or ideas or comments, or indeed if you are able to develop some kind of set of standards—and Senator Prowse was wrong when he said we were about halfway through; we are really only one-third of the way through the public hearings, and we won't be getting around to the report until into the spring—so you should realize, as I hope you will, that we would genuinely like to hear more from you. I am sure you know that we are genuinely interested.

May I remind the senators and others that the next meeting of the Committee is at four o'clock in the room upstairs, 356S, to receive the brief from Professor Donald Cameron of the Mysterious East.

Senator Prowse: Could I ask one question? I have already shown this to Mr. Drea, and that is a suggestion which comes from various areas and now is operating in two Paris papers and a magazine in Germany. This is the complete control of the news, the editorial departments in newspapers should be handled professionally by professional writers and editors of the paper.

In other words, in newspapers where the publisher-owner is becoming about as rare as a whooping crane, is the solution to this, as we don't know who is going end up owning the newspapers, in order to ensure independence at the profession should be allowed to assume complete control and responsibility for the editorial news department of the newspaper?

Mr. Drea: I think first of all this is not exactly what I read in there, but I had something else in mind. I think theoretically this is supposed to be true now. I don't think there is a publisher who says he meddles. He says it is his editor who is a professional. I think it is certainly that if that were made possible—because I think we have to be realistic; when a man owns a newspaper I think we are being less than honest with ourselves if we don't expect him to express some of his own opinions. He has a lot of money tied up in it. I think that, yes, this could be possible. It could be in some kind of a trust arrangement where the professional did run it. In theory they are

supposed to now. This is what we are suggesting in our brief, a kind of low-key solution to this.

If we can make this profession really a profession from top to bottom regardless of where the paper is or what the size of the paper is, then we can avoid either the myth or the reality about managed news, prohibited news, tampered news, or what-have-you.

However, I would not want to go on a European kick where the reporters wind up owning the newspaper and it can't be right or wrong. I think that is a lot of bunk. I know myself if I look back at some of the things I once thought were the gospel, if somebody had not caught me in time I wouldn't be here; nobody would listen to me today.

I think perhaps some kind of trust, perhaps this might lead into the idea of a press council. Not in the negative way where the publisher would say nobody should meddle in my business, but in a positive way bringing the community into direct access with the newspapers and the professional people covering the community.

Particularly in the monopoly community. I don't think it would be needed in the community where there is competition but I think this type of arrangement might very well, if we look on the positive side, meet some of the realities of our time. There are going to be more and more communities with one newspaper. It is all very well to say about the small town, are they competent to judge news values? I don't think it matters if the public are competent or incompetent. There is no alternative.

The paper is there and nobody has got five million dollars to start another one in a very capital, intensive and low-profit industry. Those are the realities of our time. I don't think we have the God-given right to run the media. I think you have to bring in the community.

I think that might well be the pattern in the future, that the work is done in the community by the institution of the community, the local press, radio, TV—whatever it is.

The Chairman: Thank you very much. The meeting is adjourned.

The Committee adjourned.

The Committee resumed at 4.00 p.m.

The Chairman: Honourable senators, if I may call the session to order. This afternoon we are to receive the brief of Dr. Donald Cameron, who is Associate Professor English

at the University of New Brunswick, and a contributing editor to *The Mysterious East*.

Dr. Cameron, the brief which you were kind enough to prepare has been circulated to the senators. It has been presumably studied by them, and we would like to begin by offering you some time to make an oral statement. You can expand upon your brief or explain it, or amplify it, or say anything else which may be on your mind, and following your oral statement the senators are going to proceed to question you both on the contents of your written brief and your oral remarks and on anything else which may be on their minds.

Carry on.

Professor Donald Cameron, Contributing Editor, *The Mysterious East*: Mr. Chairman, I have prepared a statement which I would like to read.

On the first day of these hearings you were told—rather churlishly—by Mr. Ralph Costello, publisher of the *Saint John Telegraph-Journal*, that he was not happy to be here. On this, as on many other matters, I cheerfully disagree with Mr. Costello, I am very happy to be here.

I am happy to be here because, judging from the reports of these hearings, you have been subjected to a great deal of windy nonsense from people like Mr. Costello, and I imagine you will be as happy as I am to climb down from the airy heights of platitudes, where the owners of Canada's media would like you to remain, and to talk about life in the real world.

You have been told, for instance, by Mr. Graham Dennis of the *Halifax Herald*, that he regards Nova Scotian ownership of the *Halifax dailies* as "as sacred trust." I had thought that kind of language went out of style about 1880, and the fact that he can still use it tells us a good deal about the period in history he comes from.

Mr. Dennis also saw no need for a press council, arguing that the public itself serves as a press council. In this he was following the lead of the *Brantford Expositor's* owners and that of *Ottawa Journal* editor Norman Smith, who made a fine ringing proclamation: "Governments should leave the running of the press to the press," he cried. "If some of us are making more money than is good for us; tax us. If we gang up or monopolize against the public interest, crack down." (I am unable to discover how you are to crack down without interfering, but when a media

mogul is defending freedom of the press, logic often goes by the board.)

"If we are seditious or libellous or otherwise unlawful," Mr. Smith continued, "hale us into court. But as to what we put in our papers—good, bad, indecent, incomplete—the public be the judge." And that, gentlemen, is the rub.

In Fredericton a good many of us have looked at our daily newspaper, affectionately nicknamed *The Daily Wiener*, and we have judged. We consider the *Gleaner* a dreadful newspaper. So what? No consequences follow from that judgment. There isn't any provision for any consequences to follow.

This Committee is the first opportunity can recall for any dissatisfied citizen to do anything meaningful at all about the media—and the fact that you do exist, and do provide a forum, is in my view a cause for rejoicing in itself.

In my written submission I argued that the centralization of the media in Upper Canada and Quebec combined with the monopoly ownership of most of the New Brunswick outlets had left the Maritimes in general, and New Brunswick in particular, very badly served.

For most Maritime centres the newspaper are normally in the hands of a local monopoly if they are not owned by K. C. Irving; private radio hardly deserves comment; *Toronto* sends us bad television remote from our own needs; and only CBC radio is left attempting to do a responsible job. That picture is necessarily over-simplified, but I believe it is essentially accurate.

I offered the *Fredericton Daily Gleaner* as an instance of just how bad a newspaper can be, and I argued that ownership by K. C. Irving has not changed it very much: obviously it is not simply ownership which is the fault.

The real problem is that the same kinds of persons seem to own all the newspapers—persons whose interest is in the balance sheet, not in journalism; persons who are interested in a stable climate for business operations and consequently have no serious arguments with the status quo.

I suggested that the *Wiener*, for instance, shamelessly selects its news coverage in accordance with its editorial opinions. Last April it looked for a story on welfare which would show welfare as a racket; failing to find one, it simply did not print the story the reporter submitted. It still has not printed that story.

The *Mysterious East*, with its fourth issue now being printed, still has not been mentioned by the *Gleaner*, although the day before yesterday its editors were able to find space on the front page for a large photograph of the new executive of the African Violet Society.

Senator Macdonald: Mr. Chairman, I did not understand a word that Dr. Cameron used back there. They had an article prepared on welfare, did you say?

Professor Cameron: That is right.

The Chairman: On the general subject of welfare.

Professor Cameron: Right; on the welfare question.

The Chairman: I might say this opening statement is in writing. Would you like to get a copy that you can follow?

You will find the African Violet about ten lines down on page 2.

Professor Cameron: I have a photograph which proves the case, if you want to see it.

The Chairman: I do not think so.

Professor Cameron: The nearest it has come to mentioning us was on January 17th, after we had published an issue on the problems of the Indians, which had been illustrated by Indian children's drawings. Brucie Greene, the *Gleaner's* Indian columnist, named the children whose designs had been chosen "to go into a recent magazine publication."

On the same page book reviewer Paul Butt discussed Harold Cardinal's The Just Society simply by reprinting great patches of the copy from the book's dust jacket. In my written submission I gave the *Gleaner* credit for its attempts to provide some coverage of the Indian community: perhaps I should withdraw that faint praise.

And if it regards the source of information as satisfactory, the *Gleaner* is totally uncritical. Early this month, for instance, it ran a story on the year's activities at the University of New Brunswick. The story seriously distorted last year's disturbances at the university in favour of the administration and against the student protests. No wonder: it was written by the university's public relations officer, Alan Pacey. The *Telegraph-Journal* carried it too.

You have heard, gentlemen, from the men who are responsible for it, what a fine job the New Brunswick dailies are doing. How they do not slant their news coverage. How independent they are. Well, let us take a test. What kind of news would we expect them to distort, if there were indeed any distortion?

An ideal case might be a speech by a prominent socialist to a conference of students, calling for socialism as the only answer for the problems of the Atlantic region and attacking both K. C. Irving and the press. You may suspect, when I set it up in this way, that I have an example in mind. I do.

On October 25th, 1969, Mr. Laurier LaPierre addressed the Atlantic Student Conference at Memramcook, near Moncton. I have with me a copy of the transcript which was made from a tape-recording of his address. Mr. LaPierre begins by talking about the problems implied in the idea of social change, and shortly works up to the idea of decentralized socialism.

The transcript, I should say, contains twenty-six pages; by page four we are slamming the capitalist system; on page six K. C. Irving has become the focus of a sardonic and energetic attack which continues for two pages. By page nine Mr. LaPierre has moved on to discuss a non-violent revolution to bring about a socialist state. The liaison between big business and a centralized federal government is next.

The theme throughout is socialism and the obstacles to it. On the seventeenth page we are discussing the role of the press in maintaining the system, and the way the press treats black people and Indians and students. On page twenty Mr. LaPierre expresses the hope that the Irving industries will be nationalized in the next two or three years, and he closes by calling on his young Maritimers to work towards a home-made solution to Maritime problems, a society which makes sense for the people who live down east.

Oh, yes. In passing he dismisses Maritime union as irrelevant and probably retrograde: he wants less centralization; not more.

How did the independent, free-thinking, hard-hitting Irving dailies report it?

On Monday, October 27th, the *Moncton Times* headlined its front-page story: Maritime Union "Waste of Time and Resources." It devoted twenty column-inches to LaPierre's speech in a story labelled "Staff Special." Of those twenty inches, one and a quarter was devoted to the attack on Irving. Two inches

covered the comments on the press. The rest of the article was devoted to Maritime union and economic development, but the economic development was made to appear as simply a variant of the existing economic system, and the world "socialism" did not appear anywhere in the article.

The Saint John *Telegraph* clipped the inessential last paragraph from the story, and instead of calling LaPierre simply "the head" of McGill's French-Canadian Studies program it called him "the articulate head." Otherwise the *Telegraph-Journal* story was, word for word, identical with the *Moncton Times* story.

Naturally the Moncton evening paper, the *Transcript* followed its morning sister. So did the *Evening Times-Globe* in Saint John. And the *Fredericton Wiener* picked up the *Telegraph-Journal* story complete.

So far as any New Brunswick reader could tell, LaPierre simply came down from Montreal to tell us what to do about Maritime union. Oh, these cheeky bastards from Central Canada!

What is even more puzzling, however, is the fact that the story printed by the Irving press contains a good deal that is not in the transcript. Why? Very simply, because the reporter who wrote the *Times* story did not hear Mr. LaPierre. Instead he relied on some mimeographed notes which Mr. LaPierre passed out in advance.

When he actually spoke, Mr. LaPierre threw away the notes and delivered a rousing committed speech. But the reporters had taken the handout and left—with one exception. The one exception, the one New Brunswick daily to report the story reasonably accurately, the one daily to mention socialism, to quote the vigorous criticism of the Irving empire, was the one daily in the province not owned by Mr. Irving: I mean, of course, *l'Evangeline*, the Moncton French-language daily. Vive *l'Evangeline* libre!

Now I don't know the answers to the problems of the Maritimes. Probably you don't either. I don't really imagine Jean Marchand does. But there is obviously a logical possibility that some form of socialism is required, and that is certainly a possibility we should be debating in the Maritimes. But no English-speaking reader in New Brunswick had the chance to find out even that Mr. LaPierre had proposed it.

The point is that that kind of rotten reporting is actually interfering with the develop-

ment of the Maritimes. And it's interfering on behalf of people like K. C. Irving. I don't suggest, of course, that K. C. Irving told his newspaper how to cover that story. He doesn't need to. They know perfectly well who butters their bread, and they aren't going to take any chances. And because they must surely be afraid that if they dig into anything important in New Brunswick they're likely to run into K. C. Irving's interests, they just don't bother digging. It's a sort of enforced laziness.

I hope I have made my point that the state of the press in our part of the country is intolerable. And some groups of citizens are refusing to tolerate it any longer. At least three new small periodicals have been established in the Maritimes; there are indications of more to come.

In my written submission, I pointed out some methods by which the federal and provincial governments could make it easier to establish new papers, and thus improve the citizen's chances of doing something effective after he has made the judgment all the big publishers are so anxious to have him make.

I want to stress now the fact that I do think this is one of the very few ways for government to interfere in the nation's media without risking freedom of the press. Another system would be a blanket subsidy of some kind, available to all general publications or to all non-profit publications (that is, in fact the basic effect of the current postal regulations); a third is by making some avenue of publicity available so that the aggrieved reader can seriously embarrass an incompetent or dishonest newspaper. This last function is, of course, one of the immediate benefits of this inquiry.

The only alternative now is the establishment of an independent periodical, and that's what *The Mysterious East* has attempted. We felt a real need for journalism which would provide an outlet for the poor, the radical, the dispossessed and the powerless, and in the absence of anything better we decided to try to provide it ourselves.

The resulting monthly magazine has been remarkably successful. We have not had a great deal of advertising, but our readers' support has sustained us. We have provoked flurries of consternation in some places where they are greatly needed—in provincial war authorities, in the governing bodies of universities, among some of the less scrupulous landlords.

We have a lot more to do, too, and we hope to make the magazine a forum for all varieties of progressive opinion in the Maritimes, a pole around which thoughtful and imaginative Maritimers can organize.

Such goals obviously pass beyond simple reporting (just as, for instance, the *Gleaner's* anti-pornography campaign did). We will be presenting our own briefs to various bodies, as we are doing here; possibly we will take an active role against pollution; we are trying to become a centre of information for people who want to know what their rights before the law actually are, how to organize a tenants' association or a housing co-operative, what are the basic facts about drugs. After all, if we believe in the things we write about, our obligation does not end when the magazine hits the newsstands.

I will conclude by mentioning two such projects, both of which will be announced in our next issue, due out in a week or two. The first of these is an essay contest, closing March 31st, for readers who will tell in five hundred words or less why their local paper is the worst in the Maritimes. We will judge the entries primarily on the basis of documentation and liveliness of presentation, and the prize will be a year's subscription to the *Lancaster Guardian Weekly*, the *New York Times*, the *Toronto Globe and Mail*, or any similar paper of the reader's choice. And all the entries will be sent on to this Committee—so, in a sense, everybody wins.

The second such project—well, perhaps I could just read you part of the text of the announcement from our fourth issue, since this is probably a suitably public occasion on which to announce the establishment of the Rubber Duck Awards.

Our parent company, The Rubber Duck Press, Inc., is pleased to announce the establishment of the Rubber Duck Award, to be given each month to the person, corporation, government or institution which has, in the opinion of the Board of Directors, committed the most astonishing act of foolishness, incompetence or knavery during the previous month.

Nominations are invited from our readers. Nominations should be accompanied by letters explaining clearly and concisely the reasons for which the award would be made. Nominees will normally be chosen from within the Atlantic region, though nominees whose actions seriously affect the Atlantic region are also wel-

come. There is no reason why Jean Marchand or Air Canada should not win the Award.

Successful—or whatever—nominees will receive a Presentation Rubber Duck... with a citation on our stationery explaining the grounds on which the award was made, as well as a copy of the issue of *The Mysterious East* which announces the award.

And readers who nominate the winners will receive Souvenir Rubber Ducks, with citations for valour and public spirit.

To kick the Awards off, we have already named one winner. The winner is a private corporation which was set up with lavish public funds in return for a promise to operate a vital public service in perpetuity. On this base, it built a huge financial empire; now the public service doesn't make money, so the company wants to drop it.

The Rubber Duck Award this month goes to the Canadian Pacific Railway.

Canadian National Railways, whose cutbacks in service are a heavy blow to our region, is a closer runner-up. But CNR was never more than an amalgamation of unprofitable small railroads under public ownerships; the CPR is a private company, set up for private profit and sustained for years by government assistance.

Its charter gave it twenty-five million acres of land, including great tracts in the downtowns of many western cities; it was exempted from most forms of taxation; it was permitted to import its building materials duty-free; it was given liberty to build what branches it wanted while being protected by law from all railway competition south of the border by a twenty-year ban on rail lines south between the CPR and the border. It had cash grants and loans of over fifty million dollars, about half of which was repaid. In return it offered to operate a railway service.

Now the passenger services are losing money. The company isn't losing money; it's not even losing money on its freight services. It's losing money on its services to people. So it wants to drop almost all its passenger services—or have them heavily subsidized.

Well, hell—we put up the money to get that company going. Maybe it's time to press the government to take it back—all

of it; hotels, real estate, mines, airplanes, ocean liners and all. Why should we build them a company and then pay subsidies on the parts that don't make money to go into their pockets?

In fact, CP's application to drop passenger services should make the Maritimes think again about this whole business of government loans, tax incentives and so forth to private companies. Even without considering disasters like Clairtone and the heavy water plant (which seem to indicate we only attract corporate cripples anyway) the companies expect us to live up to the letter of our promises—as K. C. Irving once made plain on the floor of the New Brunswick Legislature. But if the CPR is any indication, the companies don't expect us to insist on similar scruples from them.

We don't ever expect to give a more richly deserved Rubber Duck Award than this one.

I am confident, Mr. Chairman, that your Committee will give us no reason to give a Rubber Duck Award to it. However, it seems to us that you will have no lack of candidates for these awards once you have completed your hearings, and we hope that you will be good enough to nominate them.

On that assumption, I'd like to leave you a Souvenir—I repeat, a Souvenir Rubber Duck, and to commend you now for valour and public spirit.

And in closing, may I make a suggestion? I would like to suggest that as your inquiry proceeds, you keep this memento on your desk and, at the end of your hearings, look at it again to see what other tangible evidence you have received from people like Mr. Dennis, Mr. Costello, and Mr. Wardell to indicate that they, too, are going around making trouble for the wealthy and the powerful on behalf of the ordinary citizen of our troubled eastern provinces. I am perfectly confident that the little duck will be sitting there, full of perkiness and irreverence—and absolutely, totally alone.

The Chairman: Thank you very much, Dr. Cameron, both for your remarks and the souvenir award, which I will certainly retain.

I think for the purposes of the discussion we are now going to have, we will ask you about everything you have said except the reasons for the award to the CPR, which is

probably not within the aegis of this particular Committee.

I think Senator Prowse is going to start the questioning.

Senator Prowse: I am wondering where to start here. The first part of the questions was going to ask you, I am not sure that you have not covered some of them. In the first paragraph...

The Chairman: Is this the oral or the written brief?

Senator Prowse: No; the written brief.

The Chairman: It is from the written brief.

Senator Prowse: Yes. I think the oral brief speaks for itself. I am not sure I want to go into that one.

You said, about halfway down the page:

"All around me important stories were going unreported and undebated."

Would you like to just outline those? I note this reference is made throughout here. Can you give us perhaps some of the ones you consider to be outstanding examples of stories that have been unreported?

Professor Cameron: Well, I think that the kind of thing we are trying to do in the *Mysterious East* is in itself to some extent an answer to that.

We had in mind things like pollution, for example. We had a long story on pollution in our first issue. We pointed out the job that the press had not done on this.

I was particularly delighted when Mr. Wardell's magazine, the *Atlantic Advocate*, in late September, or the August issue, contained a little run-down on the dying Saint John River but was full of praise for the plants here that were cleaning it up.

As far as I could make out those are the same plants that we were talking about in our article and we could not find too much evidence that they were cleaning it up. The mentioned by name only one company, and that is the Vulcan plant, which is safely tucked away in Maine, and of course it does not advertise or anything about this.

Senator Prowse: That is the only one mentioned?

Professor Cameron: That is the only one mentioned by name.

Senator Prowse: One that is out of the country?

Professor Cameron: One that is out of the country.

Senator Prowse: The reason I asked you the question was, I would be glad to have you expand on this. As you realize, it is one thing to get an accusation but it is another thing for us to get a hard fact upon which we can rely, because when we have evidence from people who say that they do not suppress news except on the basis of, you know, good taste and motherhood and the generally accepted virtues, unless we have specific examples we are stuck with the evidence that is in front of us.

So if you have some evidence to lay down—and this is one—have you got any more?

Professor Cameron: Well, this now is a maller one, of course, but one which perhaps was fairly central to starting out the magazine, and that was the reporting by the *Gleaner*, and to a lesser extent the *Telegraph-Journal*—in fairness I think the *Telegraph-Journal* wanted to show—it is not all it could be but it is probably the best we have.

Senator Prowse: The best of a bad lot.

Professor Cameron: That is right, that could be it, but the *Gleaner*, for example, in reporting the disturbances last year at the university really—it seems quite clear—tailored its coverage in favour of the administration, and I am a loyal member of the Canadian Association of University Teachers which censured the university. It seems the university's action was indefensible, admittedly so, and there were professors whose actions were so indefensible, but I would have thought the institution could do better than the university did last year.

What we had was simply a sort of party line from the administration with no attention whatsoever to any kind of thing that provided the real answer.

We would get news like...

The Chairman: Dr. Cameron, on that point of the students, if I may just ask you one question. You mentioned both in your oral brief and now that the *Gleaner* and the *Telegraph-Journal* carried a story. You say it was written by the university's public relations officer.

Was the fact he was the university's public relations officer indicated in the byline?

Professor Cameron: No.

The Chairman: Go ahead.

Professor Cameron: No. It was just "by Alan Pacey."

Again the kind of thing we would encounter would be this repeated accusation in the news coverage and editorial coverage that a small minority of rabble-rousers were causing trouble.

In fact, I would say there are roughly four thousand students at the university in the daytime. Two thousand of them were marching around the administration building—not going into it—they had been forbidden to go into it—but marching around in a protest demonstration.

Now, there is a pretty substantial rabble-rousing minority when it is half of the student body on that occasion.

I was told by the *Gleaner* reporter, who I think is not with the paper any more, that he had gone up there to cover some entirely different event, even though this protest had been well advertised in advance, and when he got up and he saw two thousand people milling around in the snow he called down and said, "Listen, we have got to get a photographer up here. We have got to do something on this story." He said, "We have got a story." But they had no intention of covering it whatsoever.

Senator Prowse: The ostrich approach to the news. In other words, you stick your head in the sand and hope it will be gone when you come out.

Professor Cameron: Yes.

Senator Prowse: Now, this brings me to another point. Would I be being fair if I said that in your reviews you work on the principle that you want people to see your bias and you hope your logic will persuade them that you have a sound reason for it?

Professor Cameron: Yes. I would say we proceed on the principle that an unbiased report is probably impossible, and any report of an event is a selection of parts of the events which the person reporting deems to be significant.

I think some of the failings in the Maritime press are just the kind of person that is reporting.

We feel in our news that we make it perfectly clear what our kind of viewpoint is and the reader can make what allowances he sees fit.

Senator Prowse: We have had things said to us by one group that has most of its investment in newspapers, where they have a semi-monopoly situation—at least they have the only newspaper in each one of the areas they serve—and they expressed the thought that it would be improper for them in those circumstances to exploit their dominant position by taking an aggressive stand on any matter of controversy.

Would you comment on that attitude, as you see it?

Is that what they are doing in New Brunswick? Do they justify the fact that they do not cover certain things by saying that they operate under that philosophy?

Professor Cameron: I don't think they could possibly do that because in Fredericton in the issue...

Senator Prowse: Do they try or do they say that? Or have they been called to account?

Professor Cameron: You probably know more about what they say than I do but the Halifax papers, I note, recently made that point, that they did not stir up that where they thought it would be irresponsible.

Kenneth Bagnell's criticism in an article in the *Toronto Globe and Mail* magazine and one in our magazine said that the problem with the papers is that they are so heavily responsible as to constitute a kind of irresponsibility.

Senator Prowse: Would it be possible in fairness to say that some of the reasons for criticism might be then their attempt to lean over backwards in order not to be accused of bias?

Professor Cameron: I think that would be a rationalization that they might offer. I do not think that has anything to do with what they in fact do.

For example, the *Gleaner's* anti-pornography campaign was really an ideal case in point. They quite clearly attempted to whip up controversy which they were on the one side...

Senator Prowse: And where presumably all good people would be.

Professor Cameron: Yes, presumably.

Senator Prowse: You cannot really get into too much trouble with an anti-pornography campaign, can you?

Professor Cameron: Well, they did, you know. There are some of us who consider ourselves at liberty to read filthy books for the pleasure of filth, if we want to, and view that as more important than depraving the minds of the young who would probably not be depraved by that kind of thing anyway.

Senator Prowse: I rather enjoyed your letter which they refused to print. On the other hand, did you really expect them to publish it?

Professor Cameron: I really did not know you know. I had had one letter previously published by them where they had objected to Canada permitting people like Stokely Carmichael coming into the country and speaking to the black people in Nova Scotia, and so forth.

They had said we should keep him out at the border and that the immigration service should keep a record of known trouble-maker and so on.

I made the point, if a person had no record in Canada, we had no reason to keep him out and the only logical way we could keep him out or put him out would be if he did something to disturb us; not on the basis of what he might have done somewhere else.

They had published that one, so I really did not know whether they would or not. It was sort of a test case to see if there was anybody bright enough to catch the double entendre but, I guess, they are brighter than I am originally given them credit for.

Senator Prowse: But not possessed of an great sense of humour.

Professor Cameron: I would say I think no I think the *Gleaner* is a singularly humourless newspaper.

Well, no, I shouldn't really say that. They are a very, very humorous newspaper. But they didn't intend it.

Senator Prowse: Not the way they expected.

Professor Cameron: Right.

Senator Prowse: In other words, they had a good idea but it's not the one they thought was.

Professor Cameron: Right.

Senator Prowse: Let us go on then. We have got the ground rules on this. Let us go onto the more important aspects.

Senator Sparrow: May I ask a supplementary question?

The Chairman: Yes.

Senator Sparrow: Are you suggesting that individuals should be allowed into Canada regardless of the record they have in any other country; is that your suggestion? We should open up the borders to them?

Professor Cameron: I do not think that the kind of person who is coming here for a political activity, of which you and I may or may not approve, should be barred at the border.

I think I will put it this way: that Mr. Carmichael has the right to come in and make a speech, and if he wants to foment trouble and if he can foment trouble amongst the black people in Nova Scotia, that is probably because there are grievances he can point out to them.

I do not think it is fair to keep him out on that basis.

If, on the other hand, we have somebody who has been convicted of, say, a smuggling offence, or that kind of thing, well then, probably that case is different. Where it was the political side of this thing...

Senator Prowse: You are referring to the political side. I do not think you intended that to include reference to, say, a known Mafia character.

Professor Cameron: No, I did not intend it.

Senator Prowse: You were referring there merely to people because of their political attitudes; we are not going to censor political thoughts because it is censored in other countries?

Professor Cameron: That is right. That seems to me to be the thing.

Senator Prowse: I think you have covered your oral statement and you have in your brief—and I think everybody has read it—if they have not read it, after hearing your oral presentation, I am sure they will.

I read your brief where you covered the types of things that caused you to get into action, and then starting on page 4, paragraph 1, you start in with two suggestions.

What can be done about the media, especially in the Atlantic provinces, and the first suggestion is that the universities be entitled to set up their own FM stations.

Have they made application at the present time, do you know? Has there been any effort made to do this?

Professor Cameron: I do not have much detail with me about this. My understanding is that there have been and are a number of university stations in Canada.

I believe Queen's University at Kingston has one.

Senator Prowse: I think Alberta has one.

Professor Cameron: Alberta has one? I think the Regina campus in the University of Saskatchewan does, too. Is that correct?

Senator Sparrow: Yes.

Professor Cameron: I think in the Atlantic provinces there has been a good deal of interest. I know there was a group working on this in Dalhousie University when I was there and there is a group at the University of New Brunswick also interested in this, and here the problem, I think, is simply finding the money.

We have the physical facilities. We have a long record of closed-circuit radio, but it is simply money to put in a transmitter and to pay a couple of technical salaries.

Senator Prowse: You can get very inexpensive installations. We had one of the organizations, I think maybe it was the Indian and Metis Brotherhood who were here and suggested that for around \$20,000 or \$25,000 they thought—or even less—that they could set up a low-powered station that would have a 25-mile radius type of circulation. Would that type of thing do the same thing? Now, this can be picked up by people on their ordinary bands. By getting a low-power band in an area that is not going to get interference from local stations, they can sort of limit the area. Would this be any use to them down there?

Professor Cameron: This would be an AM band?

Senator Prowse: Yes, because everybody doesn't have FM receivers.

Professor Cameron: Yes. I think that would serve the same purpose. I think it would be of less use in New Brunswick than it would be in the more populated areas.

For instance, if we had one in Fredericton it would serve the metropolitan area of perhaps fifty thousand people or something of that nature, and obviously that is a fairly

small proportion of the New Brunswick population.

Whereas in Montreal something of that nature would serve a great many people; around two million. Or something in that neighbourhood.

Senator Prowse: Let us give the universities a radius of around twenty or twenty-five miles for these small stations.

Professor Cameron: Probably.

Senator Prowse: Wouldn't they be able then, if you had them scattered around, they could serve that area; but so far as you know anyway, there has not been an application made yet to the CRTC for licensing of any station of the type that you could envisage here?

Professor Cameron: Unless these other ones...

Senator Prowse: As far as you know.

Professor Cameron: Unless these other ones fall in that category, those ones at Queen's and Alberta, but these are all AM stations.

Senator Prowse: No, I am talking about your area.

Professor Cameron: No, I don't think so, although I have heard there was an application made to have a station at St. Francis Xavier but I have not checked to find out more about that.

Senator MacDonald: I think they are quite close at St. Francis Xavier with the regular station there, CJFX.

Professor Cameron: Do they have a proportion of the time? Is that it?

Senator MacDonald: I think there is a very close contact.

Professor Cameron: I knew they were active in broadcasting. I did not know what the arrangement was.

Senator Prowse: Do you know whether the CBC would be prepared to go in and assist in the way of training and assisting personnel in developing talent that you envisage? Have you ever talked to them? You did work with them yourself. You know them fairly well. I wonder if you had discussed this with them at all.

Professor Cameron: I have only talked to local people. They would be very happy to

help us on a sort of volunteer basis right there in the station without any sort of formal arrangement.

They would simply send somebody down for a couple of hours, you know, once a week or something of that nature.

As far as anything formal is concerned suspect their problem is financial.

Senator Prowse: Would it cost very much for them to do that limited amount of training in connection with their ordinary broadcasting duties, by bringing people in, letting them look and maybe letting them try a little practical work, or would they run into may be union difficulties?

Professor Cameron: That is right. They did indeed run into union difficulties.

We were going to put a radio workshop department in the English department last year, a radio drama workshop, and that was one of the suggestions. Perhaps we should go to the CBC and learn something about the technical side of it, and the CBC was very willing to have us do that but they made the point we could not possibly touch any of the dials, buttons and switches and so forth because if we did in fact handle the equipment, the union would be angry about breach of the contract or something of that nature.

Senator Prowse: Somebody would have got paid if the other fellow touched it.

Professor Cameron: No. Even so that seemed to feel if we were there with the regular operator you could not touch the equipment and there may be a union problem there.

Senator Prowse: So if this system is going to work, you will have to go into this area it will have to be worked out with a number of different people.

Professor Cameron: Yes, that is right, although that was last year. Now this year we have a brand-new situation. The University Student Council has put up something like \$15,000 for new equipment for radio UNB, which is a closed-circuit arrangement, and the new equipment of course is broadcasting level and broadcasting quality and could, of course, have CBC personnel training on people with our equipment which would take it, get around the union problem.

Senator Prowse: I see. Now, then, we go to the second one. You say the liaison

between the universities and the media could be closer. That is what we have been talking about.

On the third one on page 5, paragraph

The Chairman: On the CBC?

Senator Prowse: No, this is the Drama Festival, quite aside from the CBC. It has nothing to do with radio and television.

Professor Cameron: That is still going on, certainly, and thriving, as far as I understand it.

Senator Prowse: The reason I asked you the question is that I know some of the radio stations—I do not think TV have done it in Edmonton—but the radio station in Edmonton used to make use of these drama groups...

The Chairman: Senator Prowse they cannot hear at the back.

Senator Prowse: ... used to make use of the local drama groups to do dramatizations on radio and the people in the drama group were quite happy about it, and so were the public that was listening.

So far there has been no attempt to initiate any programs like that outside of Don Messer.

Professor Cameron: Well, perhaps I can tell you a story that casts some light on this. When I was teaching at Dalhousie back in 1957-68 the drama school—some people in the drama school and I as a writer of plays and they as producers and actors and so on became interested in the idea of producing and writing plays for television and producing them for television and producing them over the CBC or the CTV station in Halifax, you know, at some off-peak period—some time instead of the Edge of Night, or something of that nature, or possibly even late at night, one or two in the morning before sign-off.

We drew up a fairly detailed proposal and we had two or three scripts in mind and we certainly had the actors and producers. They did not know anything about television and the whole aim of the thing was to find out about television, to actually get them doing it.

We took this proposal to the CBC and Mr. Kennedy, who was the regional director, wrote me a very brief letter in which he just said "We do not anticipate any drama productions from this region." Period.

CJCH Television were quite interested but for various reasons it did not go ahead. It was not their fault that it did not go ahead but their problem was money.

They said it was going to cost them \$300 or \$400, and they didn't have \$300 or \$400 for that; that their production time was spent making commercials and this kind of thing.

Senator Prowse: Do you think you could put on a local production for \$300 or \$400?

Professor Cameron: Well, they indicated this. That was a situation in which we would provide the actors and directors and so on and they would provide a camera crew and I think a producer to work with.

Senator Prowse: Do you know whether the arrangements they had, like the actor arrangement with the actors of the CBC set-up, whether they would let you use enthusiastic amateurs?

Professor Cameron: I really do not know because I never got to the level of discussing this kind of problem.

Senator Prowse: I think the Committee would be interested in knowing to what extent this matter of local production results from a lack of initiative on the part of the TV people and to what extent, if at all, it results from road blocks that have been set up because of other arrangements that have been made, for a very good reason, throughout the system.

Professor Cameron: Yes. I really do not think I can cast too much light on that. That is probably an internal CBC question. Probably the CBC could answer it.

Senator Prowse: We will ask them when they come here.

Professor Cameron: Yes.

Senator Prowse: And then in the fourth one you suggest that:

"Monopolies such as the one in New Brunswick should, ideally, be dismantled."

You refer particularly to the Irving set-up. Then you say:

"I must reluctantly suggest that some regulation of the permissible extent of monopoly control of a region's newspapers also deserves consideration.

"Where a newspaper has an effective local monopoly, it should not be permitted ownership of broadcasting enterprises in the same geographical area."

Now, we have had a number of newspaper publishers who have said, "We are attempting to get a foothold in the electronic area," and who have explained the reason for it, which is, as a hedge against possible future technological developments such as the print-out of newspapers on home sets which they see in the not too distant future, apparently.

Now, what would be your reaction to that itself?

Professor Cameron: I see the logic of it. I am not sure that is an appropriate response to the problem.

I am at a loss to provide a better one short of simply getting electronic expertise in some other form.

Obviously that is much more expensive. It does not make any money.

Senator Prowse: One of the explanations that has been given to us...

The Chairman: Excuse me again, Senator Prowse. They cannot hear you and they particularly cannot hear Professor Cameron.

I might say, Senator Prowse, I am going to let you finish this line of questioning and some of the other senators have indicated they want to ask some questions.

We will return to you, of course.

Senator Prowse: I have just a couple of questions here which seem to be important.

The next point I had and then I will leave this one about the monopoly. Maybe some of the other senators can chew on that. But the one I really was interested in is on page 6, paragraph 19:

"We ought to consider, at least, setting up a national bilingual newspaper published simultaneously from coast to coast..."

And then:

"Alternatively, we could offer financial support to dailies prepared to try to become national papers. An immediate step would be to subsidize, either through preferential freight rates or otherwise, air-speeded delivery to remote areas of major metropolitan dailies or of special editions of those dailies."

Do you think that the Government of Canada would be able to get away with subsidizing the press without being accused of trying to muzzle or buy it?

How can we set this up to ensure that the kind of charge would, on the face of it, be patently ridiculous?

Professor Cameron: One obvious response is to say if the newspapers do not want the money, do not take it. You know, if they are really concerned that they should assert their independence, they should stay out of the scheme.

Senator Prowse: What do you imagine would be the result of a situation in newspapers right across Canada in every place where Air Canada stops if the *Globe and Mail* decided they were going to put a paper in every city in Canada?

What would it cost, say, in air freight to subsidizing, say, fifty thousand papers daily in Edmonton, fifty thousand in Calgary, thirty thousand in Saskatoon, and thirty thousand in Regina, and one hundred thousand in Winnipeg?

Specifically, take areas where this might be a nice thought.

Professor Cameron: It would obviously be an extremely expensive proposition but possibly technologists will provide us with some better answers such as electric print-out of this kind of thing. This may well be a better answer. I do not know. Again probably helping speaking of the confusion—For example, have been shown the coverage of these hearings from the Toronto and Montreal papers and so forth.

Now, I can get these where I live but they come in two or three days late. You have to make a special trip downtown to get them.

As a matter of fact, you simply do not get them. You cannot get them delivered and on.

Whether it is the best answer over the long haul, may be open to question, but it does seem that some means by which you can have competition in the monopoly newspaper area is a critically important thing; and the reason I suggested it in this form was any newspaper which wanted to try it presumably should be given some kind of subsidy.

Whether it is prohibitively expensive, I do not know. I have not examined the economics of the thing.

My main concern is that there should be some way of getting a newspaper that is not immediately controlled by the local monopoly.

Senator Prowse: We would be interested in getting a practical suggestion. That is why I picked this up because it is intriguing but I am not sure it is practical.

The Chairman: Dr. Cameron, we will move on to other senators, but before we do I would like to ask you one question.

You say on page 1 of your oral brief:

"We consider the *Gleaner* a dreadful newspaper."

Why do you buy it; or do you buy it?

Professor Cameron: Oh, sure.

The Chairman: Why?

Professor Cameron: Well, for one thing everybody needs a light moment in the course of a day; but aside from that there just is not any other everyday source of news you can actually have written down.

The Chairman: The reason I put the question to you is that publisher after publisher has come before us and said that the public makes their decision every day.

Presumably many publishers at least think if you buy the paper that is a form of approval.

Professor Cameron: Then I will cancel my subscription, if that is what you think.

The Chairman: I am not suggesting that.

Professor Cameron: I think it is patently obvious why one—because if you look at the situation, for example, as a consumer in this situation, if I want coverage of local affairs to any extent whatsoever the only source that really does cover Fredericton at all is the *Gleaner*.

The *Telegraph-Journal* makes an attempt. The *Telegraph-Journal* covers sort of major stories. If there is a major dust-up in Fredericton, it is in the *Telegraph-Journal*; but if I am looking for a little news like what went on at City Council last night, all this kind of thing, there really is not any other place I can get it with the sole exception of the CBC, and with the CBC, I cannot clip it out and keep it, if it is of some significance.

Senator Smith: I would like to ask Dr. Cameron a question about his reference in his oral submission to the welfare monster, I suppose you would call it.

How do you know last April the paper intended to write a story on welfare and was

looking for a drama that might be tied into how horrible and how cruel this welfare system was? How do you know that?

Professor Cameron: Let me understand that.

Senator Smith: ...it showed welfare as a racket.

Professor Cameron: That is the point: what are we looking for? What the *Gleaner* was looking for was pretty clear and it was recipients who were receiving money they were not entitled to. That is, it was after the recipient of welfare rather than the welfare workers as a sort of monster, going from family to family and stuff like that to find practices which the *Gleaner* would be expected to espouse.

The reason we know about this is, of course, the reporter did in fact go out and did interview a number of people, not around the welfare department, including welfare recipients and so forth, and said to several people at the conclusion of this investigation he had come out with his mind made up, and he had changed his mind, that he could not find any evidence of this and by and large he thought that the welfare department was necessary and useful, and indeed practically doing a noble kind of work.

He had certainly clearly changed his mind. He went to get a story down there and the story did not appear. Some people who had been questioned subsequently asked him about it and he said, "Yes, it has been"—I don't know how he expressed it. I do not know if he used the word "suppressed." In any case it did not get printed.

He said, "Why do you not phone the *Gleaner* or write the *Gleaner* and ask them why not?" because he was quite anxious to see the story which he did write in fact get printed, and he felt he was not in a position and he didn't see how he could do that, and the matter was never proceeded with in that way.

Senator Smith: Do you think that is a very serious thing for a newspaper to do, to examine a subject and then decide on their editorial experience the public do not want to read about this?

We have been told on a number of occasions—I do not know whether it is from witnesses or members of the Committee, that good news sometimes is not news.

I think in terms of this particular subject there are a very substantial number of people

who make assumptions about "Oh, this welfare is a racket" and they would not say it if they thought about it.

They were also making the same assumptions some years ago about family allowances: "Oh, well, people just go down to the liquor store." You do not hear this so much now.

If somebody had sent a reporter out to examine into what happened to family allowances—that has been done but it has been done by the public service; not reporters—but if the reporter came back to his newspaper saying, "Well, we made an examination and some of it goes to life insurance and some goes to buy kiddies' clothing and so on; we didn't find very much evidence of poor purchases"; do you think that should be published as a story? Would that have, in your opinion, reader interest?

Professor Cameron: I would be very surprised if a thorough investigation of something of that kind would not turn up something that would be of reader interest.

I think this is what this reporter had in mind on that. As I understand it, he felt he had discovered that there was a fairly considerable group of people in Fredericton, who, for one reason or another, were on welfare and who really needed it.

I think he felt he had seen some dramatic examples of what welfare was for and he wrote a story, which I gather was full of this kind of thing. "Where does your welfare money go?" "Are we in fact paying where it is needed?"

He went on to say, "Well, these are the people who are getting it and this is the kind of problem that it is resolving." You know, three cheers for solving that kind of problem.

Senator Smith: You may have lots of examples to support your statement about the *Sydney Herald* and the *Telegraph-Journal* or the *Moncton Times*. I do not know just how many examples you have but I just wondered whether this was a valid one or not.

I was reminded of the non-story aspect of it when I was told—and this is one of those stories which nobody seems to want to prove to me—that a certain and quite prominent weekly publication in this country sent its journalists out across the country with instructions to mail a letter at a certain time on a certain day and the idea was to demonstrate the bad postal service. The story is told mostly by postal employees and that is the point to this. The only letter that took two

days or longer was one from the Northwest Territories. All the rest appeared at the headquarters of this office within two days, and of course there was no story. In fact, they were not interested in printing that sort of thing.

Professor Cameron: Yes, I agree, there are certain non-stories. My understanding of it was that this reporter did in fact feel there was a positive story.

Senator Smith: I want to ask you something else. In your moving as a young man from Vancouver which I think is a swingy place—I have never lived there but it gives me the impression that it is a different kind of place than you would find in beautiful Fredericton and that part of Halifax.

When you went to Dalhousie to teach there, when you moved from that environment into the Maritime environment, did you feel yourself conscious of living among people who have different concepts? They seem to enjoy the quiet life and they are slow to accept change, even if it is for their own good; do you believe that is a valid reason for most of our newspapers reflecting that kind of life style or life philosophy?

Professor Cameron: Well, I do find some flavour of the quality you point to, but I had a very odd experience. I did not go directly to the Maritimes. I went from Vancouver to England for three years and after those three years I came to Nova Scotia. I had not been here since 1964 so it was a very different place now from what I remembered.

To me the sense of it is "Yes, there are now some different attitudes" and some of the attitudes I think are gradually being proven right.

I think for example there is a certain skepticism in the Maritimes about progress which is seen on the basis of this story on pollution which, to a considerable extent, is justified. I do not think it looked justified 15 years ago but I think it does look justified now.

To me the sort of sense of it has been that there was a fairly considerable community of people in the Maritimes who were anxious to see a certain intelligent kind of change and who really did not have the vehicles upon which to press for this kind of thing.

I think of a man like Alan O'Brien, the Mayor of Halifax, for example, who seems to be a fairly admirable political figure. I do not think that he has really had an opportunity to make his views known as widely as he might.

That may be a bad example but that is the kind of person I find in the Maritimes, as well as the conservative side of it.

Just in passing I think one thing that I ought to say because not enough people seem to say it: I got off a plane the first time I arrived in Halifax; I got off the plane in Halifax and looked at the rather dreary aspect of Halifax Airport and rode in on the bus.

By the time I got to downtown Halifax I felt that for the first time in my life I was home. I had never been there before, and I felt that I belonged there. And I have never ceased to feel that way about it.

Senator Smith: In your experience as a writer and observer in the newspaper publishing field and so on, do you think there is any virtue at all in a Nova Scotian being the owner of a Nova Scotian newspaper and a few Brunswickers being the owner and publisher of a newspaper published in New Brunswick?

Professor Cameron: I rather wish you hadn't asked that question because I find myself in the profoundly embarrassing position of agreeing with K. C. Irving on this.

Senator Smith: Well, all right. Let us leave that.

Senator Prowse: If he wants to answer it, let him.

Professor Cameron: No. I do agree with Mr. Irving. I do prefer myself to see a local owner because I think it is probably easier to get at him in some ways.

You know, I am not sure, but if Canada is a branch plant economy, then the Maritimes is a branch plant of the branch plant, so to speak.

There are a great many enterprises in the Maritimes, it is true, but it seems to me the big decisions are made elsewhere and not by the people affected.

The Sydney Steel Corporation as it is now, the decision that brought about the Sydney Steel Corporation, I would think, is a perfect example of that kind of thing. I think we ought to minimize that. The people affected by these things ought as much as possible to know about them or have access to them.

Senator Smith: You think it would be to the advantage of the people of Nova Scotia—that we come back to that—to have a publisher-owner of a newspaper in that province

who may have come from some other part of the country in order to bring a fresh attitude to the publishing business?

Professor Cameron: Well, really, that comes down to asking me whether I ought to exist, and obviously I think so.

Senator Smith: I am speaking more of a daily newspaper.

Professor Cameron: Yes, I know. But in essence the same principle applies because the *Mysterious East* is to a considerable extent staffed by people who are not native Maritimers. By and large we are all refugees from other places which we considered uninhabitable.

One of our men is from Chicago. He has come to the Maritimes because he thinks there is a chance of making some money, and it is a reasonably intelligent place to live.

The Chairman: Are any of them from Toronto?

Professor Cameron: I wish you hadn't asked me that.

Senator Prowse: You have to draw the line somewhere.

Professor Cameron: I wish you had not asked me that because I was born there, although I left it when I was two and have been back for only one day, which seems to me to be enough.

Senator Smith: We were talking about attitudes that are no longer valid. Maybe there is no longer a place for a Senator William Dennis, who is the father of the present publisher of the Halifax paper, and who in my opinion—I am sure in the opinion of my fellow Nova Scotian, Senator MacDonald—whose paper did a lot of good things for the Province of Nova Scotia, but maybe that day is gone. Maybe we need a different kind of newspaper.

He was a great propagandist for Nova Scotia. He pressed what he called "Maritime rights." I am not sure we had Maritime rights but we had a case for special treatment and we are seeing some results of it in the last ten or fifteen years.

I suggest to you that might influence the kind of newspapers we have.

Professor Cameron: It could well be, but insofar as the ownership in the area is part of the cause of the problem, then I think we are on the horns of a dilemma because obviously

I do feel ownership in the area is an important thing, is a desirable thing.

The Chairman: Senator Sparrow?

Senator McElman: I have a supplementary.

The Chairman: All right.

Senator McElman: You are on the record that you agree with Mr. Irving that local people should own local newspapers.

Professor Cameron: Yes.

Senator McElman: I should like to go on record that I agree with it, too, but how local is local?

The Chairman: The question now is "how local is local?"

Senator McElman: New Brunswick is local.

Professor Cameron: Yes.

Senator McElman: How local is local? Do you follow along and still agree that he should own them all?

Professor Cameron: No, certainly not.

Senator McElman: I think the record should be clear.

Professor Cameron: No, I do not agree he should own them all but I do agree, if possible, they should be mostly owned by people who live in and around the communities they serve.

Senator Sparrow: Doctor, you referred in your brief—I cannot give you the numbers particularly, although it starts at page 5, where you suggest "Monopolies such as the one in New Brunswick should, ideally, be dismantled."

Then you refer in another section to assistance to competing newspapers or newspaper publications which wish to compete, to assist in breaking these monopolies.

Are you suggesting both of these methods or which one of them would you think is the best method of doing it?

If there is a way of dismantling, are you suggesting the dismantling be by actual legislation once it is established?

Can you expand on that?

Professor Cameron: I am not sure what the appropriate machinery would be to dismantle the monopolies. I have not gone into any anti-combines affairs seriously such as there is,

and I am not sure what the mechanism ought to be.

I think there is a problem with the press and any interference with it is obviously going to bring the kind of screams that you have been hearing from various people like Mr. Costello.

A really practical answer I think would be this one of subsidizing or being prepared to grant some kind of loan to a newspaper or to a group of people who can show that they had the expertise to produce a newspaper and were ready to produce a newspaper. But the person simply did not have the capital. That one would be perfectly fair.

The kind of thing that bothers me, it seems to me, is that the businessmen like to say they believe in competition and that freedom improves competition, whereas we see in the Maritimes and in a number of cases patent it does not.

I come back to my original premise that competition is a good thing and if the private sector does not furnish it, then perhaps the public ought to.

Senator Sparrow: Competition is the way to break the backs of the monopoly. Basically that is what you are suggesting in the brief.

Professor Cameron: Yes, I think that would be right. At the very least, Frank Fillmore, who is with the Fourth Estate in Halifax, who once asked what he hoped to achieve in the Fourth Estate. He said, "If we do not achieve anything else we might succeed in making the Halifax daily into a serious newspaper," and I think that even that effect would be worth some money.

He said, "Even if it did not succeed, even if it did not make an impression with the local market, it should exist for that."

Senator Sparrow: With the local monopoly to which you refer there seems to be no indication of groups or chains of newspapers in Canada breaking into that market, although we did have one witness who said they would be prepared to. In your study on that ownership, do you feel that there could be some corporate agreement that outside groups stay out of the Maritimes as such; is it just they have no interest in going there particularly, or why are they not there?

Professor Cameron: Well, I think recently they are. There is—I forget which one of

Charlottetown papers—but one of them is owned by Southam.

The Chairman: No; Thomson Newspapers are in Charlottetown.

Professor Cameron: I doubt there is any blanket agreement of that kind. What I would suspect is that there is an agreement probably among the board rooms that that is more or less K. C. Irving's territory, or something like that. That would be more what I would suspect, probably not even an overt agreement; just simply a thought. If somebody suggested you had better not tangle with Mr. Irving because you come away with a little less flesh or something like that.

Senator Prowse: He may be bigger and tougher than they are.

Professor Cameron: He may be.

Senator Sparrow: I read with a great deal of pleasure your written brief last night and your verbal one today, but I was a little concerned about—this is perhaps in a lighthearted vein—you said "The *Gleaner* is for the police, even the Chicago police."

The Chairman: Where is that, senator?

Senator Sparrow: After page 11.

On the second paragraph about halfway down you are jokingly suggesting that you may be wrong about the *Gleaner*. "The *Gleaner* is for the police, even the Chicago police" and it seems to indicate that because the *Gleaner* is for the police that they are in fact wrong. Actually I am for the police.

Professor Cameron: There is a sort of civil liberties consideration that comes in here. I agree that the police are obviously a necessity and deserve our support in many ways, and so on.

There is also—and I think we have seen a fair amount of evidence in the last few years—there is a tendency in some cases for some police forces to really offend the liberties of the individual.

There is very, very little protection for them in some respects. So my point here is that the *Gleaner* has never, to my knowledge, been critical of the police force for anything.

Not too long ago the narcotics squad were asking a few questions of thirteen-year-old schoolchildren at the principal's office of the high school, without witnesses and without counsel for the children, and without warning the children of their legal rights, and without

allowing them telephone calls; that kind of thing.

It seems to me that is scandalous, but I am sure the *Gleaner* does not think it is scandalous, and they wrote an editorial, I think, before the report of the Chicago disorders was received, and in that it said the Chicago police were simply doing their job, and so on, when in fact I think people had seen it on the television, running demonstrators against the wall with motor cycles, which seemed a little beyond the call of duty to me, at least.

Senator Sparrow: It was just an offhand type of statement in your brief, I assume?

Senator Prowse: A figure of speech.

Professor Cameron: Yes, I think you can say that. I think that would be fair.

Senator McElman: In the context of the Fredericton area, of which you were speaking, would you agree that the attitude they have displayed with respect to the police is somewhat anomalous with relation to the attitude they have displayed with respect to government enforcement authorities, such as the Combines Branch?

Professor Cameron: Yes. I think there is a certain contradiction there.

Senator Sparrow: Just one more question. On page 5 you refer to the stodginess of our television compared with that of Britain. I understand you studied in London not too long ago.

Professor Cameron: That's right.

Senator Sparrow: You have had a recent comparison?

Professor Cameron: I was there from 1961 to 1964 and again for a month last summer.

Senator Sparrow: How do you compare the two media then in England and in Canada?

Professor Cameron: Let us just say I think we could probably include our TV as well as the BBC over there.

My particular interest in this is the interest of a playwright. What happened to me when I was in Ontario; I had taken on more or less a kind of characteristic of a university person's view of television of the early fifties and more or less said, "Well, of course, I do not have one," you know.

We went to England and we had a television which came with the place we were

living in and I worked for the BBC in a series like, for instance, Wednesday Play.

I was suddenly sort of startled because it seemed to me this was bound to be the popular art form of the future, you know; that it was capable of being an art form, and that they had gone a long way towards making it an art form which reached a great many people and was obviously enjoyed by a great many people.

You get in the BBC all kinds of original drama, for example, written and commissioned by the BBC from first-rate writers dealing with whatever the writer happens to wish to deal with, and often dealing with contemporary subjects in Great Britain.

I found—we had a television set for six months when we were in Halifax and there was very, very little of that. Occasionally you may get something from the National Film Board presenting a show or something like Festival, but there was very, very little encouragement, as it were, for a writer in Canada to go into television, which disappointed me bitterly because that is what I wanted to do, to a considerable extent; original drama in television. That kind of thing I found wanting.

I feel the BBC does view it as being a serious art form. I think the ITV does, for that matter, too.

I do not think that by and large the CBC has done very much with television here up to this point. I do not think that is conflicting with entertainment either. I think really good dramas are really entertaining.

Senator Sparrow: What are your views on Festival then?

Professor Cameron: Well, I did not see enough of it. Again, as I think I have said in my brief, we had a television for six months. We gave it up. But from what I have seen, only two or three shows as a matter of fact, am very much impressed with the little I saw of it.

The Chairman: Dr. Cameron, there are other senators who wish to ask you questions. Perhaps I can ask you for our information in passing: what is the circulation of the *Mysterious East*?

Professor Cameron: I wish I knew. We print now six thousand. We seem to be disposing of most of them. We still do not have the final figures from the newsstand for even the first edition.

The Chairman: Would you know what the circulation of the Highlander would be?

Professor Cameron: I believe it is over twelve thousand.

The Chairman: How about the Fourth Estate, in round figures?

Professor Cameron: It is something in the neighbourhood of seven or eight thousand.

Mr. Spears: Nine or ten thousand.

The Chairman: You say seven to eight thousand; Mr. Spears said about nine thousand.

Professor Cameron: I know it has grown very rapidly. The figure I have is from last December, or November.

The Chairman: Does the *Mysterious East* have any political affiliation?

Professor Cameron: No.

Senator MacDonald: Just on that point there, I wonder if you would care to comment on the fact your criticism of the news media seems to be pretty harsh but some of the articles in the *Mysterious East* seem to be articles which would be more appropriate to a magazine to have that type of article rather than by a daily newspaper.

For example, there is a good article on the construction of houses and that kind of material, which is fairly long?

Professor Cameron: Well, I think we tend to think of some of these things as magazine material. I am not sure—for example, we have done the same thing in our first issue of the rights of the citizen in arrest and detention.

I find that, for example, in the *Montreal Star*. We fly it up there. I think a lot of the things are amenable to treatment by newspapers. We have given them magazine treatment.

For example, the whole business of the construction of the university buildings in Fredericton and the relationship between Associated Designers and inspectors on the university proper is obviously minor but just to make up a news story, if anybody wants to go out and write it, it has been standing there for a long, long time, and has not been picked up at all.

There are a number of stories we could develop there. I would suspect that news-

pers probably would become more like magazines in the future anyway and we would tend to go into longer and more detailed background material and not the sort of intimate news you get from television anyway.

Senator MacDonald: To go back to your brief for a moment. What are your comments on this contempt of court matter? You mentioned about the student jailed for ten days for saying the courts in New Brunswick are the tools of the elite.

The Chairman: Where are you reading from, senator?

Senator MacDonald: Page 6, paragraph 20, halfway down:

"...the values of free speech and a free press could only be invoked by reference to scattered and conflicting cases in common law."

Later on you mention you do not see the courts should be above criticism.

This is on page 10.

Professor Cameron: Yes.

Senator MacDonald:

"We see no reason for the courts to have special immunity from criticism."

Do you differentiate between criticism and abuse?

Professor Cameron: No, I don't. I do not see that the courts deserve any more privilege than you or I do. In fact if they are libelled or slandered, the laws of libel and slander are as open to them as they are to you and me.

I do not think they deserve anything more than that.

Senator MacDonald: In other words, there would not be such a thing as contempt of court.

Professor Cameron: Not by scandalizing the court. Now, obviously one could commit contempt of court by misbehaviour in a courtroom or something of that nature but that kind of contempt, no.

I might make a partial exception. I would think you could have a contempt of court—perhaps it is right to have contempt of court laws arguing against certain kinds of reporting of cases that are currently being tried. That may be correct.

But, if the decision is wrong or if the journalists believe the judge is corrupt, then he should be able to say so. But as far as I can

make out if a journalist has any evidence that a judge is corrupt, if he prints that, he is liable for contempt of court because the test is that he has lowered the court in the view of the public.

Whether or not the court deserves to be lowered does not seem to be a question that you can get at.

Senator Prowse: Do you say that seriously?

Professor Cameron: Yes, I do. This seems to be the situation that developed. I sat right during that trial which went on for days and days.

Senator Prowse: We have had judges kicked off the bench in Canada and roundly criticized.

Professor Cameron: I am not saying that that would actually happen but as far as I can make out the state of the law is such, you know, that it is possible to argue that a judge is corrupt and to have a judge then, you know, cite you for contempt, without hearing the evidence or even whether he has the evidence.

Senator Prowse: Do you not think there is a difference between a situation where a person who does not like a judgment says the judge is corrupt—he was in the pay of so and so without one skinkful of evidence; and a situation where a fellow has evidence that shows the judge is corrupt and says, here it is—here is the situation. He had an interest in this and he was sitting in a case where he ought to have disqualifed himself.

In the second case I cannot see a judge getting away with calling a person for contempt of court because he was criticized. If the person had some evidence that might indicate his statement was perfectly valid without laying himself open to even worse charges of abuse?

Professor Cameron: We were never able to get the substantial question into the courtroom at that trial, as far as I can recall.

Now here, I get scared about contempt of court and talking in public about it, frankly.

As you might suspect, I do not scare too easily but this whole area scares me stiff.

We, for example, tried to—the charge was that Mr. Murphy had lowered or brought the court into public ridicule and contempt by saying what he did about it.

Senator Prowse: Where did he say this?

Professor Cameron: In the student newspaper, the *New Brunswick*.

Mr. Fortier: May be the witness should be reminded that his statements are privileged before this Committee, Mr. Chairman.

Senator MacDonald: That is right. You do not have to worry.

Professor Cameron: They are?

The Chairman: You can say what you want.

Professor Cameron: They are?

The Chairman: Do you want to submit a new brief?

Professor Cameron: Yes. Well then, I shall read a passage which I excised from my oral presentation.

Senator Prowse: Subject to malice.

Professor Cameron: Yes. Well, right. There is a point I think to be made that one of the judges in that case—perhaps Senator McElman can correct me if I am mistaken—but as I understand it Mr. Justice L. McC. Ritchie has been observing these hearings on behalf of Mr. Irving. He was one of the judges in that case and he worked for Mr. Irving before the trial. He worked for Mr. Irving after the trial and so forth and as far as I can see, there was no way that any investigation could have been held to get the truth or otherwise for the trial.

Now, for example, the charges that he had brought the court into public ridicule and contempt. All right, then a neutral test of that would be a sociological survey which indicates whether people who have read the article have a lower the opinion of the court than people who have not read the article.

We conducted such a survey and could not get any evidence.

Senator Prowse: That is just the way it works.

Professor Cameron: Again he is in court to show cause why he should not be cited for contempt which, as any philosopher or social scientist can tell us, is asking him to prove a nil hypothesis.

You could not prove you had not brought that court into contempt. I could not prove I had not done it.

That is why we assume normally that people are innocent until proven guilty.

Senator Prowse: This was because of an article he wrote in a newspaper. He was then called before the court?

Professor Cameron: Yes.

Senator Prowse: Was that for a decision or while the trial was in progress?

Professor Cameron: The trial was in progress but that aspect of it was never raised in the courtroom.

What was disturbing the judges was that he said in effect, "you cannot get justice in Nova Scotia", and the judges were very, very angry about that.

The Chairman: Well they might be.

Professor Cameron: He did not say that but that was the implication.

Mr. Fortier: Still, I think the distinction Senator Prowse made earlier about the two situations is a valid one. You know, a blanket statement such as this one I think could probably be held to be contempt of court. But a statement of criticism, documented with, you know, specific facts and accusations, well that is something else.

Professor Cameron: Well, the argument put in the brief really comes down to this. If I say to you—and you are an attorney—that attorneys are charlatans and shysters, you cannot jail me for it. If I say to Miss Barr that all administrative directors are, you know, of necessity corrupt, she cannot jail me for it. But if I say that about judges they can jail me for it.

I do not think somebody, judges or anybody else, deserves that kind of blanket...

Mr. Fortier: I would take strong issue with that statement because I believe in the system of justice.

The Chairman: I think we are getting somewhat off the subject.

Senator Everett: I would like, Mr. Chairman, to have the witness give us the actual statement. He has told us what the effects of the actual statement was. I would be interested to know if you have a copy of the actual statement that was made.

Professor Cameron: I do not have it with me. I think I can describe it.

The Chairman: Can you get a copy for us?

Professor Cameron: Yes.

The Chairman: We will be interested. It would be of help to us.

Professor Cameron: Yes.

The Chairman: The witness is going to send us a copy of the actual statement, Senator Everett.

Senator MacDonald: Just in case I misunderstood what you said. Did you say one of the judges worked for Mr. Irving before and after?

Professor Cameron: As I understand it Mr. Justice Ritchie—before he became a justice—was a partner in a law firm in Saint John which was widely recognized to do the bulk of Mr. Irving's legal work. He was there on the bench and retired because of age and I believe that has been reported in the press, although not in New Brunswick.

Senator MacDonald: He was not acting as an attorney while he was a judge?

Professor Cameron: Not while he was a judge but immediately before and immediately after.

Senator MacDonald: Just one other question which is a sort of follow-up on that; not on the same thing. You mentioned you thought printers and publishers should not be subject to any of these laws like libel or something like that. They are just machines...

The Chairman: I wonder if I could ask the senators for a little more order. We cannot hear the question.

Senator MacDonald: When you said "If that was so they would have to publish what was given to them or brought to them for publication".

Professor Cameron: I think there ought to be some way in which a magazine which felt it was being frozen out in some way—and we have had an incident earlier in the history of the *Mysterious East*, that could have been interpreted that way only we never found out what in fact was the case.

Perhaps it was, as the printer said, "production difficulties" but he refused to give any further details, so he didn't really give us evidence to decide whether that was the fact or not.

I think there ought to be some way in which an individual who wishes to print can air that grievance.

Senator MacDonald: Well, you are going further than having a grievance, you know. I take it you are saying that when a man is running a printing concern, if I want him to print something he has to do it. He has not got the right to say what work he will accept or not accept.

Senator Prowse: First of all, he has exempted him from any legal responsibility for what he prints. He says he provided him with that and then he says he must print anything that is offered to him.

Professor Cameron: What I am concerned about: obviously a lot of these things were originally confusing while I was in New Brunswick and would be probably elsewhere but I genuinely believe—as I said—I do not think Mr. Irving does take any direct hand in his concerns.

I have talked to people who have worked on his newspapers and their sense of it is there are people who get timid on the papers, but not that they ever had any direction from Mr. Irving.

Nevertheless if Mr. Irving, let us assume, was a malicious man—and I see no evidence that he is—but let us assume there were malicious men now in this position. It would certainly be possible for him to prevent the *Mysterious East* without any trouble whatsoever.

I think that is the best guide...

Senator MacDonald: Let us forget about Mr. Irving in New Brunswick for the time being.

Professor Cameron: It is hard to be...

Senator MacDonald: But just for the general principle. Do you think that you can compel a man to do something which he does not want to do in his own business?

Senator Prowse: How do you relate this with a policy of freedom?

Mr. Fortier: I thought the witness meant it in another way. Once you removed the possibility of the printer being charged with libel, then he would not be driven to refusing to print a particular magazine or a particular newspaper.

Professor Cameron: Right.

Mr. Fortier: Because he could do that with impunity insofar as the criminal courts are concerned. Is that what you meant?

Professor Cameron: That is what I thought was the immediate effect of that but I would like to go beyond that because I think there are problems and this is why I raised the New Brunswick thing again.

There are problems in that. There are pressures other than legal pressures. There may be problems for printers other than legal problems. It may be profitable to prevent that.

Mr. Fortier: Then, Senator MacDonald's question stands?

Professor Cameron: That is right. I think it does stand. I think there ought to be—perhaps the way to get at this kind of thing is the Combines Act or something of that nature or the line of conspiracy or restraint of trade.

It seems to me if it is impossible for an individual in a particular province to get a newspaper printed because the printer refuses to do it—not that they do not have the capacity but for some reason, which would appear to be political, social or whatever—that there ought to be some avenue of redress for that individual through some form of legislation.

Mr. Fortier: I submit there is an avenue of redress, if you leave the criminal law aspect aside. There is.

Professor Cameron: Through the combines—that would be...

The Chairman: I would like now to turn to Senator Everett.

Senator Everett: I would like to very briefly examine with you a statement in your submission.

The Chairman: Is this the oral statement?

Senator Everett: The oral statement, yes. On page 4:

"Another system would be a blanket subsidy of some kind, available to all general publications or to all non-profit publications..."

Professor Cameron: Yes.

Senator Everett: First of all, I would like to have your appreciation of the difference between a general publication or a non-profit publication.

Professor Cameron: I was going to say a general publication and any other publication. I was going to refer...

Senator Everett: Let us do it that way and then I would like to know the difference that may exist between a general publication and a non-profit publication.

Professor Cameron: Probably I should have phrased it to say "Any general publication or any general non-profit publication".

I do not see them as a distinction. What I meant to do was suggest there were two scopes that the subsidy could take. It could either take all general publications or just those who are not on a profit-making basis.

Senator Everett: Can a newspaper be a general publication?

Professor Cameron: I would think that is a general publication par excellence, yes.

I did not recommend this. This is a theoretical possibility and it is not one I personally think has too much merit in it.

I would like to see the other two suggestions that I made. I would like it to be easier to produce a newspaper and I would like to have some way of embarrassing existing papers. I think this is much more to the point and much more practical.

Senator Everett: I accept that. But what I wanted to examine with you is the feasibility of this sort of thing. Even though you do not recommend it, it is in your brief.

Professor Cameron: Yes.

Senator Everett: You have put it forward as a possibility.

Professor Cameron: Yes.

Senator Everett: You say this subsidy would be available to all general publications.

Professor Cameron: What I wanted to suggest by making that suggestion—this is why I think it is a dilemma with such a proposal—that if you make it available to some general publications and not others, then I think you are immediately into this problem of determining which one gets it and which one does not, unless it is to be used for bailing out an ailing newspapers where there seems to be some pressing need for it but even there, I do not really see it.

Therefore it seems to me the only way out of it is to say you are not suppressing information, you are subsidizing that information.

Senator Everett: Would not need have something to do with that? For example, find it hard to believe that the Edmonton

Journal would be able to do it—although I am sure they could use it.

Senator Prowse: Would use it.

The Chairman: Would accept it.

Senator Everett: It would be a fairly wasted subsidy.

Professor Cameron: Yes. As I say this is the kind of reason where need would be a case in point but then the question would be well, "Why are these publications in need". "Is it that there is not any need for it?"

Senator Everett: I am sorry. I didn't follow that.

Professor Cameron: I think the next question one would have to face if you said "Yes, you can give it to certain publications who need it" then the theoretical question which is raised then is "Why do they need it? How come they are losing money? Is it because you have for example, 17 newspapers in one town and one of them is in trouble".

Senator Prowse: Just say you have two and one is in trouble.

Professor Cameron: Yes.

That would be the kind of situation. If the reason for it being in trouble is it is an incompetent paper, do you want to subsidize incompetence?

I think the problems with this kind of scheme become immense.

Senator Everett: I think they become enormous because you would have to define need. You would have no definition for it. It would have to be made on every case. You would have to redefine this to cover every case that was put forward to you.

And if the concept is advanced to permit new people to go into the newspaper business publishing business, then I would think the subsidy would be so large... We have seen what happened in Vancouver with the new newspaper there where they had some \$3 million or \$4 million and went through that very, very quickly.

I just do not think—I am glad you do not endorse the system—it is workable and I wonder whether you think the same thing.

Professor Cameron: That, I think, is right.

The only case I see as a much better one would be if someone were to come with a suggestion—with a documented case that the

existing newspaper in town was in various ways incompetent or dishonest or whatever and having documented that case then would ask for assistance in setting up a new one, which would be a much better thing than propping up one that was in existence but may be ailing specifically and generally because immediately you have tied up to the journalistic need for it and not the business need.

What I am after is something on this general line, that you start with a journalistic problem which is by nature a social problem. You respond to that one rather than simply going around propping up a newspaper whether or not there is a need for this particular newspaper.

Senator Everett: Even if it were your suggestion you subsidize new newspapers, it really is almost impossible, is it not? It is not really a practical suggestion.

Professor Cameron: That depends. I would suspect you would receive a valuable number of variety in newspapers. I think if you can get into questions of social priorities. If you place a very high value on a free market in ideas, then perhaps you can afford to spend the kind of money on that and not on refitting the Bonaventure, say.

Senator Everett: I think that is right but I think you will find on examination that there are other suggestions.

Professor Cameron: Which are probably...

Senator Everett: Which would tend to solve the problems that are far more practical than that one.

Professor Cameron: Yes, I think that is right. I think this whole area becomes very difficult. Other ones are economically feasible.

The Chairman: Senator Prowse, have you a supplementary question?

Senator Prowse: Yes. Following on this because this is an intriguing suggestion but I think that on the basis of evidence that the Committee has before it—I do not think anybody quarrels with it—it fails for lack of practicality.

For example, let us take the City of Edmonton where you have a well established paper with the lowest milline rate in Canada, I believe, that is the cost of advertising, which is essential.

It has been pointed out to us that the probability is that more people buy daily newspapers for the shopping news and the ads and the classified ads and that type of thing than they do for the type of story that you and I have been talking about this afternoon.

Now, to start a paper in Edmonton would take a minimum of \$15 million. You would have to be able to carry on with something like \$5 million loss. I would think unless you had \$25 million, you would have \$25 million gone into that in the way of operating losses and capital investment before you would even know whether you were wanted in there.

Then, if you were successful and you devised the market instead of having a very profitable operation, you would have a marginally profitable operation for two papers, if they became fairly equal.

Then there would be a tendency for one to drive the other out of business because of a number of complicating factors. So that...

The Chairman: Senator, this is a very long supplementary question.

Senator Prowse: Now, in view of this fact and multiplying it and all the other factors, the pressure that may be brought on advertising in the Maritimes, for example—leave it right there. You know what we are talking about.

Do you think there is any possibility that the government would be doing anything except creating maybe 100 Bonaventures in trying to put a paper in competition against the 89 daily newspapers in Canada that have monopoly situations in their own communities?

Professor Cameron: I see the problem, but I would like to remind you I did suggest that these should occur only when it can be documented that the newspaper in town is incompetent or dishonest, or something of that nature.

In other words, it is not serving the public need for information.

I doubt that is true in all 89 cases although I can think of one or two in which I would argue that is so.

Senator Prowse: I suggest to you, and think about it, you may be satisfied it is not doing this but...

The Chairman: Well now, Senator, you should not argue. I think it is wrong to argue

with the witness. You can question him and if you disagree that is fine, but I do not think you should be arguing.

Senator Prowse: I disagree. I want to find out whether his thinking is going to clarify a question that is a real problem to me but we will let it go. I will see him afterwards.

The Chairman: That is fine, thank you. Are you finished, Senator?

Senator Everett: Yes.

The Chairman: I want to ask you some questions. I am anxious to adjourn not later than, if not before, six o'clock. I am mindful of that fact when I put a couple of questions to you.

In Section 5 at the top of page 3 you talk about a headline which recently appeared in the *Gleaner*: "Jap Socialists Protest N-Test". You say, "I am expecting any day to see 'Canadian Kike Congress Calls on Brotherhood' or 'Chinks Barred from U.N.' or 'Federal Cabinet Run by Frogs.'"

Is that not really intellectual dishonesty on your part? You do not really expect to see those headlines. Are you not being unfair to the *Gleaner*?

Professor Cameron: No, I am not being unfair to the *Gleaner* but I am being rhetorical.

The thing is the word "Jap" is very analogous to "Kike" "Chink" or "Frog" and that used in the headline.

The Chairman: I am not sure it is.

Professor Cameron: Well, the Japanese certainly think it is.

The Chairman: All right. I will accept that. I think your examples are unfair. Would you agree with that?

Professor Cameron: Well, it depends on what you mean by "unfair". I do not frankly feel that that is an unfair comment because I think the shock of the subsequent headlines, I suggest, is the kind of shock that probably the Japanese reader experiences. I think it ought to experience that. That is a derogatory term.

The Chairman: This headline did run in the *Gleaner*?

Professor Cameron: Oh, yes.

The Chairman: I would suggest to you that the others would not. Would you agree with that?

Professor Cameron: Yes. This is the point I was agreeing to. I was being rhetorical. I was attempting to make a spurious comment but I think this comparison is correct.

The Chairman: On page 4 Section 10.

"Indeed, the New Brunswick feeling that Irving serves as an easy whipping-boy for cheap Toronto liberalism has some merit."

What on earth is cheap Toronto liberalism?

Professor Cameron: You will notice it is a small "I".

The Chairman: I notice it is a small "I". But what does it mean? Are you referring to Mr. Bagnell's articles?

Professor Cameron: Yes. Mr. Bagnell's articles perhaps would fit into that category although I admire the articles very much, but the motive that has produced those articles, I think is what I am getting at.

The feeling that I have had put to me in New Brunswick, I think there is some merit in it.

There are stories in Ontario, and indeed the feeling of the people in New Brunswick is that there are indeed stories in Ontario—what they have in mind I do not know.

But if you read stories in Ontario which are equally arresting and equally damaging—if you run a story about New Brunswick and you lose say half of your circulation in New Brunswick, you are seven papers to the bad whereas if you had the same thing in Ontario and you lose a lot of readers that really does not hurt, so it is very easy to go around poking holes about the problems in New Brunswick.

Senator Prowse: You feel they are picking on New Brunswick because it is a long way off?

Professor Cameron: Right.

Senator Prowse: It is like writing an editorial about the Middle East.

Professor Cameron: That is right. They are safe at home, miles away from the scene of the action.

The Chairman: So you do not feel Mr. Bagnell should have written those articles?

Professor Cameron: No, I think there is a tendency for Central Canadians to come down to the Maritimes, to look around and say, "This is the problem, this is the problem, this is the problem." And sure, there are all kinds of things which are obvious here.

After all I have read in some of the Ontario papers, I had expected a land of milk and honey but this morning as I drove through Rockland, I found, it seems to me, the same type of impoverished community that I see in the Maritimes, but I do not read about Rockland.

The Chairman: I am sure there is poverty in rural Ontario. I am not quarreling with you at all. I am trying to take that phrase in the context of the media.

In other words, what you are saying is that it would have been better had this criticism begun in the province?

Professor Cameron: Yes, it would have been better. It would not have happened. I think that would not have happened.

Firstly I am grateful those things did occur and that those articles were printed.

The Chairman: I suggest to you that "cheap Toronto liberalism" is an easy whipping-boy for you in this presentation. Would you agree with that?

Professor Cameron: It may well be. To me it is just producing a regional disparity in reverse.

The Chairman: The only other question I have, Dr. Cameron, and that is one which unhappily would take you 15 minutes to answer—I hope you will not take that long because Mr. Fortier has some questions and I think Senator McElman has some too; and I want to adjourn at six: subject to the time limitation, I would be interested if you would expand upon a phrase on page 1 of your oral brief:

"Private radio hardly deserves comment".

Would you mind giving us the comment that you feel it hardly deserves?

Professor Cameron: Well, I would think I am probably just repeating what many people know but my sense of the private stations that I listen to in the Maritimes practically all year, and I listened to the private radio all the way from Montreal to Ottawa, is that by and large the air is full of fluff. We have a lot of records. We have occasional phone-in pro-

grams and we have a great many commercials and not very much else.

My sense of the private radio is that it does not address itself to the kinds of news that I am trying to address myself to here.

The Chairman: Is it popular?

Professor Cameron: Yes.

The Chairman: Why is it popular?

Professor Cameron: I think it is popular because it is attempting to answer different needs. I think it is attempting to provide a kind of Muzak and advertising outlet and so on.

What I am saying, I suppose, is I do not think it is what I would consider journalism to be at all. It is sort of a commercial service. That is really about all most private radios tends to be.

The Chairman: Well, as I say, I would like to talk longer but unhappily we cannot. Senator McElman was first, I believe.

Senator McElman: Given the relative dollar size and current saturation of the New Brunswick market area, would you think there is any reasonable expectation of seeing another new daily established in any of the three base cities of Moncton, Saint John and Fredericton?

Professor Cameron: I cannot see it myself, no. Moncton and Saint John have two now and Fredericton is only a town of what—40 or 50 thousand metropolitan population.

I cannot see it. I think what one could hope for would be weekly newspapers in these towns which are more cheaper and much easier to produce in a lot of respects.

Senator McElman: The reason I raised this, I believe Mr. Costello and a number of other witnesses have taken the approach that if people do not like our paper they can start a new one. You would not then expect in the current context that would happen?

Professor Cameron: No. Senator Prowse, I think, had made a point about how difficult it is actually to start a new one. You would really have to have the resources of somebody of Mr. Irving's financial status, I think, to do it.

Senator McElman: You would not foresee that development?

Professor Cameron: I do not foresee it.

Senator McElman: In any of those three cities?

Professor Cameron: I do not see any real chance of survival.

Senator McElman: Looking further to the weeklies which you have mentioned. Knowing the weekly situation in New Brunswick that is the independent weekly, I believe you told me there is one that is in a chain, the Bathurst Weekly is part of the Thomson chain.

Looking at the current crop of weeklies would you see any possibility in any of them developing into a daily in any competitive fashion with the existing dailies?

Professor Cameron: I am inclined to back off. I just have not read enough. I do not know enough about weeklies to know whether there is any possibility. I do not see any immediate possibility but I do not see all of the weeklies, so I do not know all of the situations in which they operate, so I really do not know.

The Chairman: Mr. Fortier?

Mr. Fortier: Thank you, Mr. Chairman. Given the state of the written press, Dr. Cameron, I wonder if you could go into the causes; how did the press in the Maritime get to be so bad?

Professor Cameron: All I can offer there would be really guesswork. I do not know what the historical background is. I do not know why some papers survive and others do not.

Mr. Fortier: Have you not ever attempted to look at the causes? You have come to the Maritimes fairly recently. You have now discovered a bad press. How has it come about?

I would think as a professional student—do not mean that facetiously—that you would be interested in finding out what the causes were so that possibly this would not happen somewhere else in Canada.

Professor Cameron: Well, I am interested but in fact instead I have got involved in setting up an alternative. I do not have time to find out what seems to militate in that direction now.

Perhaps these are some of the causes that begin the whole situation. One of them I think, is this business of local monopoly and the fact that there really is not competition

If you are in Ontario or Quebec—if I were in a news situation in Ottawa, I would find half a dozen dailies from all over the place. In New Brunswick we have French-language Quebec between the English audience of New Brunswick and the English publishers in Ontario. The effect of that is the only papers you can get on the same day are the Maritime papers, which in effect are the local papers.

And, for the kinds of reasons that Senator Prowse has suggested, this has tended to become a monopoly and often single papers and I think they have become fat and lazy.

Mr. Fortier: Is it because of the lack of competition?

Professor Cameron: I would guess that was so but, as I say, I do not really know what in fact is the cause.

Mr. Fortier: You have travelled in Canada? You have studied in Vancouver. Have you discovered good newspapers in Canada?

Professor Cameron: I have not read regularly the major newspapers of, say, Ontario and Quebec.

Mr. Fortier: What are some of the good newspapers that you have read in Canada?

Professor Cameron: Well really, my experience in Canada is limited to Vancouver and the Maritimes and the *Vancouver Sun* struck me as a not bad newspaper.

Mr. Fortier: Are you comparing the *Sun* at the moment to the British papers or are you comparing it to the Maritime papers?

Professor Cameron: I think probably what I am comparing it with is the whole works with things like the *Observer*, the *Sunday Times* and the *Guardian* and so on which I did see regularly when I was in England.

I would suspect that probably the same goes for the rest.

I sense though from what I see when I pick up something like the *Globe and Mail* or the *Star* or the *Telegram*, whatever the faults of these newspapers, they are along way ahead of what we have in the ends of the country.

Mr. Fortier: Let us take Rubber Duck Award which consists of a subscription for a year to a choice amongst certain newspapers, one of which is Canadian.

Professor Cameron: The *Toronto Globe and Mail* is Canadian.

Mr. Fortier: I am sorry. I read it very quickly.

Professor Cameron: We also offer a paper of the reader's choice.

Mr. Fortier: Let me ask you whether or not the inclusion of the *Globe and Mail*—I am sorry as I read it I did not notice the *Globe and Mail*—did you include it because you personally or your colleagues on the staff of the *Mysterious East* considered it to be a very good newspaper which compares with the *Manchester Guardian Weekly* and the *New York Times*?

Professor Cameron: I do not think it compares with the *New York Times* and I doubt if it compares with the *Manchester Guardian Weekly*.

I do consider it to be probably as good a newspaper—again from the sporadic reading I have done of it. I pick it up from time to time. It is probably as good as any in Canada, I would think.

I notice that my other friends, who are from Toronto, when you go downtown to get the newspaper if they want to know what is going on in the city seem to buy mostly the *Globe and Mail*.

Mr. Fortier: You have not read in the papers—Mr. Nichols of the *Hamilton Spectator*, when he was here, made the statement. He was referring to a book review which had been published in the *Spectator* and part of which eventually found its way to the *New Yorker*. Did you read about it?

Professor Cameron: No.

Mr. Fortier: The book review started in this way: "This book has to be read to be appreciated." What would be your comments about such a statement in a book review?

Professor Cameron: I take it this is a laudatory review?

Mr. Fortier: Before I go any further, I think I should say...

Professor Cameron: I do not know what you are after?

Mr. Fortier: I am taking a copy of the *Mysterious East* here of December 1969 and I was looking at the book review of the "The Night of the Knives" which, I presume, must have been written by either yourself or one of your colleagues.

Professor Cameron: Not by myself, by one of my co-editors.

Mr. Fortier: I read here:

"It is quite impossible to convey the inepititude with which the book is written. Reading it is the only way to comprehend fully."

I ask you if you would care to compare this statement with the comment of Mr. Nichols in the *Hamilton Spectator*.

Professor Cameron: My considered judgment would be they were very similar. I do not object to the *Hamilton Spectator* review. I think this is probably a fair thing to say from time to time in a book review. You can only touch on that kind of thing.

Mr. Fortier: Do you consider the *Mysterious East* as being a member of the underground press?

Professor Cameron: No.

Mr. Fortier: Would you explain why not? I expected a "no" answer. Would you explain why not?

Professor Cameron: Well, there was—by the way you might enjoy this—a proposal initially to call it "The Maritime Underground Aboveboard, Free and We Really Mean It Press". That was to be the title. We concluded that an underground press by and large does not attempt to address itself to the general public. It addresses itself to a group of purely limited interests, young people, students, what have you. The sub-culture, if you want, yes. So it tends to be available in certain places where these people congregate so that in a sense it is a sort of ingroup thing.

What we are attempting to do was make and in road into the full field of audience in one way that was not available in any other newspaper and would be searched for and therefore make it available to people in Dominion Stores and places like that in Nova Scotia and New Brunswick and any other places in the Maritimes.

Mr. Fortier: Is there a need for an underground newspaper in the Maritimes and if...

Professor Cameron: I really do not know. There may be one coming up anyway so will soon see if it survives. We are told there is one starting in Halifax.

Mr. Fortier: Therefore its role is really to reach a limited number of persons in limited areas. Is that correct?

Professor Cameron: Yes, I think that is it; a fairly restricted section of the public is what it is appealing to.

Mr. Fortier: Have you any idea why the groups—this was asked in a different way earlier and I was not happy with the answer—why the chains have never penetrated the Maritimes?

The Chairman: With the exception of the Thomson papers in Charlottetown.

Mr. Fortier: Thank you.

Professor Cameron: Probably the reason is...

Mr. Spears: Mr. Balfour of Southam said they would like to.

The Chairman: Mr. Spears mentioned the Mr. Balfour of Southam said they would like to. In fact, I do not think anyone said they were adverse to the idea.

Mr. Fortier: No. I wonder if the witness had any idea as to why, with the exception of the Thomson newspapers.

Professor Cameron: The only idea that occurs to me in addition to what I said earlier, and I think this is perhaps the kind of thing Senator Prowse was alluding to earlier is that it may well be that people in the Maritimes prefer to sell to other Maritimers.

I think Mr. Wardell made some observations to that effect, that if he was going to sell to somebody, it should be another New Brunswicker.

The alternative papers were—for example, a newspaper in Maine was interested in acquiring the *Gleaner*.

Mr. Fortier: Would you favour that?

Professor Cameron: Well, it depends on which one you consider the least of two bad alternatives; that the ownership should be outside of the region which I would not like to see or if you sell it to a monopoly within the region which I also would not like.

In this particular situation, I think I would have preferred to see the *Gleaner* go to the chain. I would not have liked it, all the same.

Mr. Fortier: In a few words, what reactions have there been in the Maritimes in general?

and New Brunswick in particular to the publication of the *Mysterious East*?

Professor Cameron: Well, we had expected—and I think one of the things I really resent about the Maritime press is that it conveys the idea that the Maritimes is a tremendously stodgy place and that therefore we read the Maritime press for want of an alternative—and therefore we had expected it would go down very badly.

We thought there was probably not much of an audience for this kind of thing. In fact we found absolutely the reverse has been true and what we had hoped was true.

It does seem to be borne out to some extent in the evidence we are getting, six or seven subscriptions every day and probably half of those—I do not collect the mail myself so I am not sure if that is too accurate but that is my sense of it—probably half of these include a word of congratulation on the subscription form or a little letter saying “I really like his” or “I like that”; and the reaction has been really very, very favourable.

Mr. Fortier: Have you and your colleagues any idea at this stage from which sector of the community your readers are to be found?

Professor Cameron: Well, yes and no. In a broad sense they tend, I think, to be pretty well educated. We have a very large number of professional people. The people writing in are mining engineering and consultants’ letter-heads and that type of thing.

There are a large number of students and the faculty. It is also being discussed in the high schools. High school teachers have bought it and taken it to class and discussed it in class and the students in the high school have also been buying it and so on you know.

I do not think there is any simple reason. It seems to be getting all kinds of the public. Probably in relation to the common denominator it looks like a pretty high level of education or something of that nature.

Mr. Fortier: By and large are you restricted to New Brunswick or the other provinces?

Professor Cameron: No. It is doing quite well in Nova Scotia. Our problem has been for a newspaper we have to pay \$25 per issue to have it distributed in Nova Scotia. And we have to take back at our expense anything that does not sell in Nova Scotia.

There is a separate outlet for Cape Breton and also there is a separate outlet for Newfoundland. We simply have not had the money to make it available in Cape Breton Island so we work through private agencies who are people we know in those areas.

In Nova Scotia and New Brunswick we have had a fairly heavy subscription list.

Mr. Fortier: You say in your brief—I was very startled when I came across it—

“The *Gleaner* has refused to accept advertising from the *Mysterious East*.”

Professor Cameron: Yes.

Mr. Fortier: There were no reservations about that statement, that you offered to pay for an advertisement and it was refused. Any reasons given?

Professor Cameron: Yes, they said they did advertise rival publications.

Mr. Fortier: And they consider you to be a rival. That is a compliment.

Professor Cameron: Well, of a very low order, yes.

Mr. Fortier: Did you attempt to press the point?

Professor Cameron: No, we just made a note of it for this brief.

Mr. Fortier: One last question about the Canadian Press. Have you followed in the New Brunswick newspapers the Canadian Press reports of the hearings held by this Committee?

Professor Cameron: Yes, I have.

Mr. Fortier: Have you ever seen any reference to the New Brunswick Press Lord in it, critical of the Irving Interests?

Senator Prowse: Or Dennis.

Professor Cameron: It is very difficult to be sure just what has come from CP sources and what has come from other sources. I think if I can give you an answer that is really an answer to a neighbouring question.

My impression is that when I have read other newspapers than the Maritimes ones, I have seen a great deal more about it.

I cited one case in the brief and I think one could document it, if one had the time but one does not get very much of that again.

Special Senate Committee

But no, as to answers specifically about Canadian Press, I am not sure.

Mr. Fortier: Or from any source?

Professor Cameron: It has clearly been played down in relation to what I have been reading in say Toronto and Montreal papers on the spotty occasions when I have picked them up.

Mr. Fortier: Thank you, Mr. Chairman.

The Chairman: Well, Dr. Cameron, on behalf of the Committee we thank you.

You said in the opening statement that you intended to talk about life in the real world and we are grateful that you have.

I would only say in closing that you have indicated in your brief and elsewhere at other times and other ways that there may be additional material you wish to send us. If you do, we will be delighted to receive it.

Thank you very much.

May I remind the Senators that we meet at 10 o'clock in the morning in this room to receive the brief of the *Toronto Star*.

Professor Cameron: Thank you for inviting me.

The hearing adjourned.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 16

FRIDAY, JANUARY 30, 1970

WITNESSES:

The Toronto Star Limited: Mr. Beland H. Honderich, President and Publisher; Mr. Peter C. Newman, Editor-in-Chief; Mr. Martin Goodman, Managing Editor; Mr. William C. Rankin, Business Manager; Mr. Murray Turner, Vice-President and Director of Advertising; Mr. Donald A. Bannerman, Advertising Sales Manager.

1969-70

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien
Bélisle
Bourque
Davey
Everett
Hays

Langlois
Macdonald
(*Cape Breton*)
McElman
Petten
Phillips (*Prince*)

Prowse
Smith
Sparrow
Willis—(15)

(Quorum 5)

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

“With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extend and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beau-bien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.”

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

“With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.”

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

“With leave of the Senate,
The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative, on division.”

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

“With leave of the Senate,
The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative

ROBERT FORTIER,
Clerk of Senate.

MINUTES OF PROCEEDINGS

FRIDAY, January 30, 1970.

(16)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (*Chairman*); Macdonald (*Cape Breton*), McElman, Prowse, Smith and Sparrow.—(6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing *The Toronto Star Limited*, were heard:

Mr. Beland H. Honderich, President and Publisher;

Mr. Peter C. Newman, Editor-in-Chief;

Mr. Martin Goodman, Managing Editor;

Mr. William C. Rankin, Business Manager;

Mr. Murray Turner, Vice-President and Director of Advertising;

Mr. Donald A. Bannerman, Advertising Sales Manager.

At 1.40 p.m. the Committee adjourned to Tuesday, February 10, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Friday, January 30th, 1970.

The Special Senate Committee on Mass Media met this day at 10.00 a.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable Senators, this morning, as you know we are receiving the brief from *The Toronto Star*. Sitting on my immediate right is the President and Publisher, Mr. Beland Honderich.

I perhaps should ask Mr. Honderich at the beginning to introduce the rest of the people who are here with him.

May I just say to you, Mr. Honderich, the brief which you prepared was sent to us more than three weeks in advance, as we requested. It has been circulated to the Senators and it has presumably been studied by them. I am now going to ask you to amplify the brief or to expand upon it, or indeed talk about anything which may or may not be on your mind; and then if you can perhaps do that in about 15 minutes, following that period of time, we will have some questioning for you from the Senators on the contents of your written brief and any oral remarks you make this morning and indeed on other things which may be on their minds.

I should say to you at the outset if during that question period you wish to have other members of your team answer the question you may do so.

Perhaps you can begin by introducing those people who are with you.

Mr. Beland H. Honderich, President and Publisher of The Toronto Star: Thank you, Mr. Chairman. Honourable Senators and ladies and Gentlemen.

The Toronto Star welcomes the inquiry into Mass Media. We are very pleased to have this opportunity to appear before you and give you our ideas and also submit to your questions.

We believe that the freedom of the press rightly belongs to the people and not the publishers, and that the conduct of the press is, therefore, a very proper subject for public scrutiny. We sincerely hope your Committee will take the first step toward making the press of Canada accountable to the people in some reliable way, without, of course, jeopardizing its essential, traditional freedoms.

To assist the Committee today, I have invited five of our senior editorial, advertising and business executives to join me in making this submission if I may and I would like to introduce them to you now.

They are: first, to my left, Mr. Peter C. Newman, our distinguished Editor-in-Chief, and formerly *The Star's* Ottawa Editor. I am sure that Mr. Newman's work as a newspaperman and author is too well known to need elaboration here.

Sitting with Mr. Newman on my left is Mr. Martin Goodman our very able Managing Editor. Mr. Goodman joined our staff as a general reporter, distinguished himself as a financial writer, and later as Chief of our Washington and Ottawa bureaus. He was appointed Managing Editor in 1968.

To my right, Mr. Murray Turner is a Director of our company and also our Director of Advertising. Before joining *The Star*, Mr. Turner was Executive Vice-President of the Cockfield, Brown and Company Limited advertising agency.

Mr. Donald Bannerman is our Advertising Manager. Mr. Bannerman played a leading role in the development of our advertising acceptability standards which, I might say, go well beyond any legal requirements and we are very proud to say serve as a model for our industry.

Mr. William Rankin is our Business Manager. Mr. Rankin was associated with the *Globe and Mail* before joining *The Star* and has had wide administrative and financial experience in our business. He is also Treasurer of the Canadian Daily Newspaper Publishers Association.

Each of these gentlemen, Mr. Chairman, is available to answer your questions and I hope you will avail yourselves of their broad knowledge and experience.

In our formal submission to the Committee, we explained our positions on the mandate of publishing in this era, chain ownership of newspapers, multi-media ownership and the so-called Canadian editions of *Time* and *Readers Digest*. Today I shall try to place our recommendations in the perspective of what we conceive to be the functions and duties of the press in a free society.

First a word about that much-abused and over-used phrase, "freedom of the press." To us it simply means the extension to publishers and journalists of the individual right of free speech, carrying no privileges or immunities which are not enjoyed by ordinary citizens. But since the control of a printing press itself is a privilege available to few, we believe the concept of press freedom should include the freest possible access of people to the press.

Our form of democratic government contemplates a parliament working under the influence of public opinion and free discussions. As Sir Lyman Duff stated in the Alberta press case, our parliamentary institutions "derive their efficacy from the free public discussion of affairs, from criticism and answer and counter criticism, from attack on policy and administration and defence and counter attack; from the freest and fullest analysis and examination from every point of view of all political proposals."

It follows that the basic function of the press in a free society in reporting news and opinions is to encourage public discussion and debate and to provide a forum for all shades of opinion. To perform this role, and to perform its central function of reporting the significant and interesting events of the day, the press must have freedom from government censorship and control.

We submit that the freedom in freedom of the press really belongs to the public, that it entails the freedom of the individual in our society to have a press which is free to disseminate all manner of information and opinion necessary to an intelligent understanding of public affairs.

The duty to inform the public fully, fairly and truthfully, and to hold up a wide reflector of public opinion, should at all times take precedence over commercial profit—although

profit is essential to a newspaper's strength and independence.

We find the widely-praised concept of "objectivity" inadequate as a guide to reporting and editing the news. It is both impossible and too easy. It is impossible in any meaningful sense because nobody is totally free of emotion and bias. It is too easy because the demand for objectivity can be superficially satisfied by reporting what one person said and what another person said in contradiction. To get the truth usually requires more digging than that, and often requires inclusion of a reporter's interpretations. The traditional idea of a rigid separation between news and opinion never worked perfectly, and it is yielding to the need to report multi-layered, many-sided, interconnected events, in ways that make sense to the reader. To say this is not to deny that the news columns of a paper ought to be as accurate and fair as humans can make them. What we are saying is that flat two dimensional journalism must give way to a new journalism in this era of confusing, rapid and complex change. This new journalism, more difficult, more daring and more risky, can succeed if we raise the professional standards of journalists as high as they should go.

In a country like Canada I believe it is particularly important that the press reflect all shades of opinion. The press must serve as a vehicle in focussing public attention on the shortcomings of our system or many of our people will in fact be deprived of their franchise in the court of public opinion.

I would hope that the Committee gives special thought to this problem. As a publisher, I am more concerned with our sins of omission than with our sins of commission. I feel that we do not always give adequate representation to the opinions of people who are not part of the recognized establishments.

The Chairman, your Committee cannot ignore trends which limit the number of effective voices in the news media. For with out too many competing voices in the field of communication there is no assurance that minority points of view will be heard. The most obvious of such trends is the growth of group or chain ownership of newspapers. The question you must ask here is not whether chain ownership is necessary or desirable for publishing companies, but whether it best serves our society's need for free speech and free debate.

We believe that chain ownership has reached a point in Canada where it could endanger freedom of expression as well as the full disclosure and discussion of facts which the public has a right to learn. The danger is unmistakable in New Brunswick, where one man controls all five English-language newspapers.

Why is the growth of newspaper chains dangerous? It is dangerous because it gives a few people the power to determine what many newspapers will print. That the present owners of chain newspapers claim not to exercise this control in no way destroys this argument. For they have the power of effective control, and if they do not use it now, they or their successors could decide to use it at some time in the future.

It is stated that the individual publishers of chain newspapers are free to determine their news and editorial policies. We suggest that in most, if not all the chains, they do so within well understood limits. Newspapers, *The Star* included, tend to reflect editorially the opinions of their owners—if for no other reason than that owners are inclined to hire publishers and editors whose views are compatible with their own. And since the opinions and interests of the chain owners are very well known to the local editors, the independence the latter enjoy is subject to certain well understood inhibitions. To the extent this is so, it tends to restrict the variety of opinions available to the public.

It is not uncommon for papers in the same chain to support different parties at election time. Personally I would be more impressed if they often disagreed fundamentally on various aspects of our social and economic problems or, equally important, on the future of Canada as an independent country.

The end result of unchecked extension of chains could be a situation where 15 to 20 people would decide what Canadians would read in their newspapers. To preclude that, and to maintain the maximum feasible number of independent voices in the Canadian press, we have proposed that all future takeovers of newspapers by other newspapers or chains should require prior approval of some public body such as the Restrictive Trade Practices Commission. The object of this policy would not necessarily be to prohibit any future takeovers, but rather to require that each case be examined in terms of the probable effects on the public interest.

Criteria for the public interest can be established, as the Monopolies Commission has done in Britain.

Multi-media ownership poses a similar but even more complicated problem. If, as *The Star* believes, the public interest is best served by having many voices in the field of communications, the ownership by one person or company of a newspaper and/or a radio and television station must be questioned.

The difficulty here is that multi-media ownership is now so widespread in Canada that we see little practical possibility of reducing it. Multi-media ownership in cities like Toronto, where our chief competitor the *Telegram* owns a television station, presents distinct competitive problems for an independent newspaper. Indeed, in the absence of government policy barring multi-media ownership, *The Star* may well have no alternative but to seek participation in broadcasting to protect our competitive position.

Should we eventually make such a decision, we believe we will be able to do so in a way that adds a dimension to the kind of broadcasting now available in Canada. We would see our role as an extension of our present ability to gather news and distribute it to the public in a way that encourages public discussion and that provides a forum for all shades of opinion.

Taken as a whole, the daily press of Canada is not bad, but I maintain that it is dangerously self-satisfied. Observing the rising prestige and influence of the British Press Council, *The Star* has for some time advocated that the Canadian newspaper industry create a similar tribunal to investigate public complaints and to upgrade professional standards. We have tried to gain support for this idea among Ontario newspapers, with little success so far; few of them appear to have given the matter any serious or detailed thought. With the exception of the Southam newspapers, the publishers of most of our chain newspapers in Canada are opposed to a press council, and I cannot help but wonder if some of these publishers are not merely reflecting the viewpoint of their owners on this question.

The main reason for our advocacy of a press council (or rather, regional press councils to suit the regional or local character of Canadian newspapers) can be summed up in one sentence: The publication of a newspaper is an exercise in arbitrary power.

To say this is not to deny that most publishers try to do a fair and conscientious job; we acknowledge that. But arbitrary power is an inescapable fact of the business. By the things it emphasizes in gathering the news, by its priorities in presenting the news, and by its editorials and interpretive stories, a newspaper can advance certain people, causes and ideas while obscuring or discrediting others. Used with prejudice or poor judgment, the publishing power can make mountains out of molehills or molehills out of mountains, to the confusion and detriment of the public.

In other fields, arbitrary power that can affect the public interest is normally subject to government regulation. That must be avoided in the case of the press because of the obvious dangers of state censorship for regimentation. But the arbitrary power of the press calls for self-discipline, which press councils can encourage and guide.

I am not suggesting that a press council should have the power to control what a newspaper can publish, and I would strongly oppose legislative action creating press councils; that might be a step toward government licensing of newspapers. A press council should be a voluntary organization consisting of representatives of the press and the public, with an independent chairman, and it should be financed by the newspapers through dues and assessments.

As in the case of the British Press Council, its function should be to preserve the freedom of the press, maintain the character of the press "in accordance with the highest professional and commercial standards", and consider and deal with complaints about the conduct of the press or the conduct of persons and organizations toward the press.

It should also keep under review developments likely to restrict the supply of information of public interest and importance, and to report publicly on developments that may tend towards greater concentration or monopoly in the press.

Some witnesses appearing before the Committee have objected to a press council on the grounds that it interferes with freedom of the press and others have said that the Press Council in Britain has failed to prevent the publication of hurtful stories such as Christine Keeler's memoirs.

Both criticisms ignore the fact that a Press Council would be a voluntary organization without power to compel anyone to do any-

thing. Since its findings and recommendations carry only moral force, not the force of law, it cannot abridge press freedom, but to the public it would offer an independent tribunal where complaints against newspapers could be weighed and judged and, equally important, publicized. Newspapers would be free to ignore its decisions, but only at the risk of offending public opinion.

I sincerely hope, Mr. Chairman, your Committee recommends the establishment of provincial or regional press councils. At the same time, I must sincerely caution against recommending legislation to create a press council. A press council, established by government legislation, would be worse than no press council at all.

Finally, I urge the Committee to study the operation of Canadian editions of American magazines and to ask yourselves whether these foreign publications serve the public interest. The publishers of these U.S. magazines are in fact dumping editorial material into Canada. They contribute little to the discussions of Canadian affairs by Canadians, but because of their dumping operation, they enjoy a competitive advertising advantage over Canadian magazines serving the domestic market. We concur strongly with the recommendations of the O'Leary Royal Commission on Publications, in which it was recommended that these magazines should be placed in the same position as other foreign publications in respect to Canadian advertising. If this is not done, the financial problems that have confronted Canadian magazines may well spread to Canadian newspapers as well.

The *Star* commends the federal legislation which discourages foreign takeovers of Canadian newspapers by disallowing, as a non-deductible business expense, the cost of Canadian-oriented advertising in a non-Canadian newspaper. We believe this law should be applied to all "Canadian" editions, national, regional, and metropolitan, of *The Star* and *Reader's Digest*.

Mr. Chairman, The *Star* is proud of its tradition as a crusading newspaper, and we believe that it was never so urgent as now for newspapers to expose social inequities and injustices, and to urge corrective reforms. It is urgent because television and high mobility have made inequalities and wrongs incomparably more visible than ever before. People's tolerance of unredressed grievances and unsolved problems is fast diminishing. Some

solutions take time, it becomes even more important today to give people access to the media for ventilation of their complaints and troubles, otherwise, frustration will become explosive.

Although the newspaper press of Canada is generally sober and honest, it suffers from widespread complacency. Many newspapers are satisfied with an unenterprising, over-discreet type of local reporting which leaves too many stones unturned and too many establishments unruffled.

In considering newspaper chains, multi-media ownership and those privileged foreign publications, your Committee's aim should be to create conditions which will enable healthy, competitive newspapers to carry on wherever they exist. In considering press councils, we hope you will accept this thought: Canada needs a press that is vital and responsible, as well as free; a press that the people can trust as their own.

Thank you.

The Chairman: Thank you very much, Mr. Honderich. I think the questioning this morning will begin with Mr. Fortier.

Mr. Fortier: Thank you, Mr. Chairman. In view of the revelations of recent days, I wonder if I can start by asking a question of Mr. Newman.

Mr. Honderich: Certainly.

Mr. Fortier: Mr. Newman, who has been writing your columns in recent years?

Mr. Peter Newman, Editor-in-Chief, Toronto Star: May I answer that, Mr. Chairman?

The Chairman: Yes. That is a very strange question but do.

Mr. Newman: Well, the answer is very simple. I have been writing them obviously with the help of any friendly politicians who have a public conscience and expose or try to expose some of the things that are going on in Ottawa, at least when I was here.

I would like to take your question a little further and if I may, talk a little bit about the Press Gallery. May I do that?

The Chairman: Fine.

Mr. Newman: Because it seems to me that—I was in the Press Gallery for 12 years and I have some very strong feelings.

The Chairman: I may say I thought the question was facetious but by all means if you wish to answer it, do so.

Senator Prowse: Don't stop him now.

Mr. Fortier: We are equating Bobby Orr with Peter Newman.

Mr. Newman: I think the problem is that too many Ottawa correspondents get by on advance releases, prepared texts and average voices at the other end of the official telephones.

I would like to think of the function of political reporters as provocateurs, not voyageurs of power. Ideally I think that the Press Gallery should be what Douglas Taylor, a Washington correspondent, described—as the fourth branch of government. I do not think there is enough of that in Ottawa.

I would like to see journalist guerillas sweeping down upon bureaucratic outposts and political camp fires and coming back with information that sometimes is embarrassing to the official line.

I think the Press Gallery, if I may generalize, does too little original research. They tend to be too impressed by invitations to the Prime Minister's residence, to bask in the unshadowed arc light of conventional publicity, to be part of a definite arrangement of profitable bargaining.

I think in the process what gets left out and what does not get protected is the public interest. However, I think that is unfair to put the blame entirely on the Press Gallery. I think part of the blame has to be put on the politicians and partly on the publishers.

I think that too many politicians still tend to regard Press Gallery reporters as "The Press Boys". Of course, the way to deal with the "Press Boys" is to set up a bar, not discuss issues of the time for information.

Now, I think there is a kind of feeling of disdain for the press. This extends to certain senior members of the current Government.

I think publishers too often do not give their Ottawa correspondents a large enough mandate to dig for original interpretive stories; so to sum up I think that the Press Gallery will not be improved until the Press Gallery members themselves take their mandate more seriously and until the publishers extend that mandate and until the politicians recognize the function of the Press Gallery.

Mr. Fortier: Are you suggesting, Mr. Newman, that members of the Press Gallery in fulfilling their role of a provocateur rather than a voyageur should have fulfilled the role of opposition?

Mr. Newman: Yes, and opposition in a sense that they make politicians more accountable to the public. Politicians quite often try to hide things and I think the parliamentary system allows this to go on. I think there is a duty of the press to dig out anything that a politician may try to hide, again in the public interest.

Mr. Fortier: Am I to understand that an effective Press Gallery will only arise really where there is an ineffective opposition?

Mr. Newman: No. I think the Press Gallery and opposition are very different because, of course, the opposition is an alternative government whereas the Press Gallery, when the Government changes, remains the opposition.

What I am really saying is there should be a tension between politicians and journalists and not partnership.

Mr. Fortier: Does Mr. Goodman who was a member of the Press Gallery, agree with that statement by Mr. Newman?

Mr. Martin Goodman, Managing Editor, The Toronto Star: Very much.

Mr. Fortier: There is a statement in Mr. Honderich's oral brief on page 7 that newspapers tend editorially to reflect the opinions of their owners, *The Star* included.

May I ask Mr. Newman whether or not he does reflect the opinion of Mr. Honderich?

The Chairman: You are asking Mr. Newman if he reflects the opinion of Mr. Honderich?

Mr. Fortier: Yes.

Senator Prowse: That is the kind of question you should have submitted to the Press Gallery.

Mr. Fortier: Maybe Mr. Newman wants a chance to think of the answer?

The Chairman: Senator Prowse?

Senator Prowse: I think talking of the job of the Press Gallery, I would imagine that what you intend to mean was the Press Gallery to have too close friendships with either Government or Opposition or any member of Parliament would be an equally bad thing.

Mr. Newman: Yes.

Senator Prowse: Your job is to search for that status and not just with the government in Power at the moment.

Mr. Newman: Yes. There has to be a creative tension between the two groups.

Senator Prowse: Between all of those groups.

The Chairman: Senator Sparrow?

Senator Sparrow: I wonder if Mr. Newman would explain what he meant by these publishers extending the mandate of the members of the Press Gallery.

Mr. Newman: I would like to see more publishers assign more of their correspondents here not to cover the question period in the House of Commons, which is I think very adequately covered by the press services.

I would like to see more reporters turned loose from their routine and assigned just to dig out stories. I think that there is a kind of insidious atmosphere in the Gallery where often reporters of competing newspapers tend to question each other about what went on at a certain meeting and then it becomes a kind of a conventional wisdom to say this about that.

Instead I think reporters should be out on their own trying to make news, not just trying to report what happens.

I might say that I have worked here for two publishers, Maclean-Hunter and *The Toronto Star*. I have been very fortunate that my publishers did not feel this way. They allowed me complete freedom and a complete mandate, which was my own. I could do whatever I wanted.

The Chairman: Would it not be fair to say that when you were with Maclean-Hunter, your column appeared monthly?

Mr. Newman: Twice a month.

The Chairman: Twice a month. I am sorry. When you were with *The Star* you were writing out of the Gallery and you were a columnist so is there not a difference between a person in that position and a reporter in the Press Gallery who is charged with filing copy daily on what is happening in the House?

Were you not in a special position? That was the point of my question.

Mr. Newman: This goes to the very heart of our brief which is that the idea of simple objective reporting is no longer good enough. I think there has to be much more interpretive reporting and perhaps I could go into that a little bit further because I think this is very important to what we are trying to say.

If by "objective", you mean fairness and accuracy, of course, I agree objectivity is not only good, it is essential.

There was an American publisher who once said that a newspaper must guard its accuracy as jealously as a woman guards her virtue and I have always thought that was a great understatement because a newspaper can print retractions.

I think we have to move beyond objectivity and we have to strive for truth which is not always the same as objectivity.

Let me give you an example. If you have a strike and you send out a reporter to write a story of the strike. The sort of traditional old fashioned method is that he interviews a few strikers and he interviews a few representatives of management and he writes a story and you create kind of—I think it is a false synthesis because it is not. There is no synthesis, it is a confrontation.

With the new kind of journalism we are talking about, you begin by realizing that there is not one truth but there are two truths. There is the strikers' truth and there is management truth so you send out two reporters who will write two interpretive stories with two points of view, both of which are true; but there is not one objective story that covers the situation.

That is the kind of thing we mean.

The Chairman: You said objectivity includes fairness and accuracy and truth. Does it also include balance?

Mr. Newman: It depends what you mean by the word "balance". If you mean that you would have a half page story on the strikers and two or three pages on management, I think that would be very unfair. So sure, in terms of length, it includes balance but it may well be that one case is stronger than the other, so I do not think you start out by saying you are going to give them equal weight.

Senator Prowse: Would it be fair to say that the average person's measure of objectivity can be summed up by saying any reporter who writes what I like to read is an objective reporter.

Mr. Newman: Yes. This is too often the case and I think there is no such thing as objectivity.

You take a very simple example like a fair; and a reporter goes out and he writes in his notebook let us say 12 facts about the fair. He

goes back to his office to write his story. He picks out six of those facts. All right, that is a subjective judgment.

Then the editor gets the story. He decides which of those facts will go in the headline. Well again, that is a subjective judgement and this innocent objective story which appears is really subject to a hell of a lot of non-objective judgments.

Senator Prowse: A lot of personal decisions.

Mr. Newman: Yes.

The Chairman: May I ask a question at this point. Quoting from your brief at section 24 and I think it is significant, you say:

"The very act of selection of the events discussed (among the hundreds of thousands of possible items), the decision about their relative importance and their arrangements—all of these factors make it apparent that history is a result of the outlook and the biases of the historian, however carefully hidden these may be."

The question I want to ask you about is the specific phrase "history is a result of the outlook and biases of the historian, however carefully guarded these may be."

Was the historian who wrote "Renegade in Power" and "Distemper of our Times" biased and were those biases carefully hidden?

Mr. Newman: Well, Mr. Diefenbaker always referred to me as "a hireling of liberalism to write pseudo-biographies for monetary gain."

The Chairman: That was before you wrote the book about Mr. Pearson.

Mr. Newman: Well, exactly, and I do not have any biases although if I had to describe my political ideology, I would have to say I am a political agnostic with a lot of very strong beliefs; but the point is that I believe in issues and not in politics. I think this is very important.

The Chairman: At the risk of embarrassing you, I would like to take this question one step further and voice the charge which is sometimes heard specifically about you or your books, that an initial period of enormous enchantment with political figures, in which perhaps, as the historian, you have allowed yourself to become too overly enchanted, is followed inevitably because of this great build-up by a period of disenchantment; inevitably the person cannot live up to the expectations and then follows a period of

enormous grief. There was the example of Mr. Diefenbaker, the example of Mr. Pearson and, I must say now, the example of the editorials which appear in the *Star* about Mr. Trudeau.

Mr. Newman: Well, I think you have to remember that it was not me who got Mr. Diefenbaker and Mr. Pearson out of office. It was seven million voters. I was merely articulating the disenchantment that was widespread right across the country.

Also I think—and I feel very strongly about this—that there are no biases in those books. I was merely telling the events that happened and I can prove that very easily because these books have been out several years and no significant fact in either book has been successfully challenged, so all I was doing was telling it the way it was.

The Chairman: Is a Pierre Trudeau book in the making?

Mr. Newman: No.

Mr. Fortier: As has been said before this Committee "To be truly appreciated, these books have to be read."

The Chairman: That reference was made to a book review which appeared in the *Hamilton Spectator* which began "To really appreciate this book, you have to read it."

Mr. Newman: That reminds me of a comment. I got innumerable letters especially about my Diefenbaker book from people in the West and the last sentence in each letter was almost invariably the same. It was "Furthermore, I am not going to waste my time reading your book."

The Chairman: Senator McElman?

Senator McElman: A supplementary question. There was a widespread feeling and widely voiced feeling that several prominent journalists, particularly a couple out of the Press Gallery, who also at one time had been commentators and panelists on CBC television, that they had consciously or otherwise grouped together, combined together, to knock Mr. Diefenbaker out of office. And more latterly they helped to make Mr. Trudeau liberal leader and re-elect him as Prime Minister.

Do you in your knowledge believe there was actually a conscious effort to this end?

Mr. Newman: Most definitely not. I think you have to remember that in a way the Press Gallery is a little bit ahead of the public because we watch these politicians—when I was here, we watched these politicians very intimately day by day. In Mr. Diefenbaker's case, I think we could see, not so much that his policies were wrong, but that he was incapable of the day to day business of Government and as we sensed this, we reported it.

I think inevitably the public sensed this and voted him out so it was not any kind of conspiracy. It was an intimacy which gave us this view first before the general public got it.

The Chairman: You said the Press Gallery was ahead of the public. Would you agree that the politicians are ahead of the Press Gallery?

Mr. Newman: No.

The Chairman: You and I have a big disagreement on this.

Mr. Fortier: My second question, Mr. Chairman, was: could Mr. Newman comment on that sentence in Mr. Honderich's brief for the newspapers, *The Star* included, tentatively editorially to reflect the opinions of the owners?

Mr. Newman: Well, the way that the editorial policy of *The Star* is arrived at—that the editorial Board of the paper, which consists of six editorial writers headed by myself, meets every morning at 10 o'clock and we discuss the issues of the day and we hammer out a policy.

Mr. Fortier: Is the publisher a member of this Board?

Mr. Newman: No, he is not. My instructions are that if I feel that some policy we arrive at is something that the publisher should be aware of, then I report to the publisher. In other words, the onus is on me to ask the publisher whether he agrees with this.

Of course, if he does not then he has the right of veto.

Mr. Fortier: Would you do that very often, ask the publisher whether he agrees with a consensus which has emanated from the editorial Board?

Mr. Newman: Well, I have been Editor-in-Chief of *The Star* for a year now and I think I have done it on four times and in each case the publisher agreed.

Mr. Fortier: That was my third question.

Mr. Newman. But, I do not rule out the possibility he may not agree.

Mr. Fortier: Mr. Honderich, what would you do if you disagreed with the policy of your editorial board?

Mr. Honderich: The question, I suppose, would turn on the policy. I think it is rather dangerous to generalize. I will give you two examples.

I personally think in Toronto that the Spadina Expressway should be continued. The editorial board thinks it should be topped. I think the editorial decision is going to be that it should not be built any further until it has been very carefully examined, so I am prepared at this point to go along with them.

If there was a question of whether we would change our policy on some fundamental aspects of our welfare society, for example, Medicare or something of this kind, and the Editor-in-Chief and I could not resolve the matter, then I am afraid the Editor-in-Chief would have to look for another job.

Mr. Fortier: This view was expressed to his Committee by your friend and colleague, Mr. Basset. As I understand it, you agree with him.

Mr. Honderich: I think Mr. Basset made a very honest statement in that area and I think I would agree with him more than some of the publishers and owners of chain newspapers who tend to suggest their publishers need freedom because...

Mr. Fortier: On the question of a Press Council which you support very enthusiastically. You raised the matter of the problem of the Christine Keeler Memoirs in your brief this morning.

Supposing there was a Press Council for Canada and supposing the *Toronto Star* intended to publish a series such as the Christine Keeler Memoirs. Let us sort of transpose these situations from England to Canada.

Do you think that in such an event, you, as publisher of a newspaper, should decide to go ahead with the publication of such series or do you think that you should abide by the decision of the Press Council?

Mr. Honderich: Again I think it is very difficult to generalize but if the point in the Christine Keeler series was whether or not the press should pay someone, who has been convicted of a certain offence, for their series, as a matter of public policy, I do not think this is good. If this was the policy of the Press Council, we would abide by it.

On the other hand to take the Munsinger case, if the Press Council said in effect that—"No, you cannot publish the Munsinger story", we would go ahead and publish it because I think there is a matter of public interest involved there.

Mr. Fortier: The CBC I think if I remember correctly paid...

Mr. Honderich: They paid us.

Mr. Fortier: They paid you.

Mr. Honderich: Yes.

Mr. Fortier: It does not offend your sense of journalistic ethics to pay Gerda Munsinger for a story but it would, if transposed to England and the payment was by the *London News* to Christine Keeler?

Mr. Honderich: Gerda Munsinger had not been convicted of any offence.

Mr. Fortier: That is your distinction?

Mr. Honderich: It would be in this case but even if Gerda Munsinger had been convicted of an offence and we were satisfied that this relationship did exist and the only way we could get the story was to pay her some money, we would pay her.

Mr. Fortier: You would have?

Mr. Honderich: You see, the problem a newspaper faces was that a person like Gerda Munsinger recognizes from the outset what she has to say has some value so she quickly acquires an agent and the only access to Gerda Munsinger is through the agent, after payment of money.

Mr. Fortier: Supposing Mr. Cardin had not blurted the "Monseigneur" name in the House of Commons but that your Ottawa correspondent had come to you with the whole story. Would you have allowed publication of the story in the *Toronto Star*?

Mr. Honderich: Yes, if I was sure enough of the facts, yes.

Mr. Fortier: You consider that it would have been in the public interest?

Mr. Honderich: There is a matter of public interest involved here in that certain Ministers of the Crown were associated with someone of a certain background and the public have a right to know this.

Mr. Fortier: How private is the public man's private life from the point of view of the newspapers?

Mr. Honderich: Well, first of all I think a man in public life is a subject of public interest and I think the press has a right perhaps to go into his privacy to a greater extent than they would an individual.

The line I would like to draw, if you can draw it, is where there is public interest involved. If your question is prompted by the statement of the Prime Minister...

Mr. Fortier: Last January.

Mr. Honderich: Last January in Britain. We felt that public interest was involved.

Mr. Fortier: In what way?

Mr. Honderich: Prior to the Prime Minister's trip to England, we were aware that a relationship of some sort did exist. We were also aware of the background of the person. So public interest was involved and I think the Prime Minister conceded in that statement that his public appearances were open to the press.

I think it is a very difficult line to draw outside of a specific problem. I think you have to look at each problem in terms of what you consider to be the public interest.

Mr. Fortier: I wonder if Mr. Newman would care to comment on that point?

Mr. Newman: I think the private life of a public man is as private as he wants to make it. If in this particular instance Mr. Trudeau had wanted to see that particular lady in his hotel room in Claridges, it could have been very private. No one would have known. By taking her out to a well known restaurant I think he made it a public fact and gave us a mandate to comment on it.

Mr. Fortier: So that, I understand, is the *Star's* policy insofar as publication of matters affecting the private life of politicians is concerned?

Mr. Honderich: I think public interest has to be involved.

Senator Prowse: If the private life appears to present some kind of threat to the public interest then you feel you have a duty to move in.

Mr. Honderich: Yes. I think the public have a right to know what kind of man is their Prime Minister. I think the Prime Minister's friends are a matter of importance. Who does he see? Who influences him?

Senator Prowse: Or who may influence him?

Mr. Honderich: That is right.

Mr. Fortier: In view of your very strong remarks directed to the situation in New Brunswick, in order for you to further assist the Committee in its deliberations, I would like to ask you this question.

How would you deal with a situation in New Brunswick today?

Mr. Honderich: Well, I think if there is no power under the present Combines Law that it should be amended, perhaps in the way recommended by the Economic Council, perhaps with some amendment to their suggestion to deal with this specific situation.

Mr. Fortier: Do you think that...

Mr. Honderich: Mr. Fortier, I am not a lawyer but I think an interesting case might be the result if a citizen of Manitoba went to the courts with the argument that his right of his access to free discussion which has been called the natural right of Canadian citizens is denied by this form of ownership.

You are the lawyer. I am not.

The Chairman: I think you meant to refer to New Brunswick. You said "Manitoba."

Mr. Honderich: New Brunswick, I am sorry.

Mr. Fortier: That is an interesting suggestion. Maybe it will reach New Brunswick.

Senator Prowse: It might be appropriate in Saskatchewan.

Mr. Fortier: Without intending to get into legal opinion, as a newspaper publisher could you suggest that the Government should interfere or a Government agency should interfere at this juncture and break up newspaper monopolies such as the one that exists in New Brunswick or in Quebec?

Mr. Honderich: I suggest they should wherever they fail to meet the kind of public criteria that we recommend in our formal submission.

Mr. Fortier: In this context who would be called upon to decide that public interest has or has not been served?

Mr. Honderich: I think you first must establish some criteria. This criteria has been established in Britain. It is possible to establish it here.

If you accept my definition of freedom of the press, then freedom and freedom of the press belongs to the public. It is their natural right as Canadian citizens to have access to the discussion.

I think it is possible on that basis then to develop a set of criteria that would apply against any situation of ownership.

Mr. Fortier: Has the advent of television made newspaper a better means of communication?

Mr. Honderich: I think that competition has helped them. I have the view that radio and television news encourages the sale of newspapers.

Mr. Fortier: This "new journalism" where you speak in your brief, do you consider that television is a suitable medium for an expression of this "new journalism"?

Mr. Honderich: There is certain types of stories which lend themselves to development by television. There are certain other stories that do not.

If you take a situation like the Saskatchewan doctors' strike, which was a very complex matter, television could not come to grips with it. I think the newspapers did a splendid job in that area but where you have a subject that the public can see on their television I think perhaps television is a more effective means of "new journalism".

Mr. Fortier: I wonder if you could relate to opinion of objectivity which permeates your brief to this statement of yours here.

Mr. Honderich: I will probably be disowned by a lot of my colleagues here but I think it was due to the fact I am not an admirer of Spiro Agnew. I think in his references to television he really touched on a very important point; because here you have again a relatively small group of people deciding what the public are going to see.

I do not think I know enough about the operation of television to have any idea of what should be done but I am always concerned when a relatively few people have the power to exercise effective control of what is seen.

The Chairman: I think Mr. Newman wanted to add something at this point.

Mr. Newman: I just wanted to say I think there are three things that newspapers can do very much better than television and that is to record events, to interpret events and to act as advocates.

If you take the highlight of television last year, for example, I think we all agree it was the landing on the moon. Certainly it was very exciting to watch the landing on television but in terms of recording the events, of providing a permanent record, it is going to be the newspaper of that day which is going to be passed down to your grandchildren so I think this is a function that newspapers can do that television cannot do.

Mr. Fortier: Well, the film will last.

Mr. Newman: Oh yes, but it is very difficult to get it for the ordinary person whereas a newspaper is available to all.

Senator Prowse: There was not all the film they wanted either.

Mr. Newman: I think in terms of interpretation, television has fallen down very badly whereas the newspapers are going more and more into interpreting not just showing the events but telling what they mean.

Most important of all I think television, because it is a neutral medium, does not advocate any courses of alternative action whereas newspapers do. I think newspapers will always survive because of these three functions which you can't apply to the TV set.

Mr. Fortier: You say that in the field of interpretive reporting television has fallen down. What could it do that it is not doing, more precisely.

Mr. Newman: Well, I think it is dealing too much with superficial analyses, two or three minute capsules of events whereas newspapers can take the time and space to discuss various points of view of what is happening.

Mr. Fortier: Are you suggesting that television should allocate that time?

Mr. Newman: Certainly. I think television should have an editorial point of view. I think there should be enough channels so that the consumer of television news has as much knowledge but I do not think television should remain a neutral kind of medium if it is going to do a real job.

Mr. Fortier: Mr. Honderich, you say that the advent of television has forced newspapers to become better. Is that correct?

Mr. Honderich: Well, I think the competition has been good. I think it has tended to change the role. I think before the advent of radio and television, people had to look at a newspaper to find out what had happened in the last 24 hours or, more particularly, overnight.

Now, most people today get the news first by some broadcast means, so they look at newspapers for amplification of what they have heard on radio and television. So our role has changed into an explanatory interpretive function more than telling you first what happened last night.

Mr. Fortier: We had a newspaperman before Christmas who came before this Committee and said that with television, newspaper reporting has had to become more precise and truer.

Mr. Honderich: Well, I think it is a check on our accuracy and I think it is going to require that newspapers perhaps change their method of operation.

One of the handicaps that we face is our deadlines. There is a certain time set for a paper to go to press to meet requirements of distribution, to get the paper in to the house on time.

I can recall during the conference Mr. Robarts had in Toronto—I forget the name he applied to it.

The Chairman: The Constitutional Conference of Tomorrow?

Mr. Honderich: At the particular time our newspaper was going to press, there was a confrontation between the late Premier of Quebec and another premier and that got the emphasis in our account.

Well, later on, that confrontation disappeared and a cordiality came back and I think that the public must have been confused that evening when they looked at television and saw a very friendly conference and they had

read our story about the angry confrontation but it is a check on the facts of newspapers.

People see things on their screen and what they read in the newspaper does not accord with what they have seen on the screen, then obviously they wonder why.

Mr. Fortier: Do you envisage that the technological improvements which are fast upon us—do you foresee a solution to this very problem that you have?

Mr. Honderich: I think the solution has come in the type of reporting. I think you have got to perhaps counsel your reader that these events took place at a certain time and the conference was continuing.

I think you perhaps might develop a different kind of style of reporting. Perhaps you should not attempt to tell the readers quite so quickly as we do sometimes what is going on until you can get more of the story.

The Chairman: I wonder if at this point you could ask Mr. Honderich a question, Mr. Fortier, with your forebearance.

What specific advantages does the *Telegram* enjoy over the *Star* because it owns CFTM? What are the specific advantages? You said it gives them a competitive edge or you imply that. What is the competitive edge?

Mr. Honderich: Well, I think one is: here is a company that has access to television revenues. I am not suggesting that Mr. Basset do this or would ever do it but conceivably he could decide to use these television revenues to operate a newspaper on a break even or loss basis with the idea of putting your competitor out of business.

This is an element of risk on a very practical level and I am not complaining about it. I want to emphasize this. At one time if I bought a travel ad in the *Telegram*, it automatically gave you a plug on television which was something we could not do.

If I owned the *Telegram*, I would be able to pay better salaries to my staff because they would be able to spread their costs over more operations.

The Chairman: Does the *Telegram* pay better salaries than the *Star*?

Mr. Honderich: They will not as long as I am the publisher of the *Star* but this does relate itself back to a financial matter.

The Chairman: You have spoken about the subsidization of newspapers by a television

station. Aside from that in the area of news competition, if I can call it that, does it give the *Telegram* any advantages to own CFTO?

You are suggesting there are business advantages. Are there news advantages as well?

Mr. Honderich: I think there are potential advantages if they are exploited. If I owned the two and set out to exploit them, there would be very considerable advantages.

Mr. Basset has suggested to this Committee that he has more foreign correspondents than any other newspaper in Canada. First of all our Managing Editor, Mr. Goodman, tells me this statement is not so.

Mr. Fortier: Would you call him an "un-nitigated liar"?

Mr. Honderich: That is your phrase, not mine.

The Chairman: That is Mr. Bassett's phrase, not Mr. Fortier's.

Mr. Honderich: I would like Mr. Goodman to deal with this but if you are talking about staff correspondents—this is people paid by The *Toronto Star* and entirely dependent on The *Toronto Star*, I think we have more representatives abroad than any other newspaper.

If you are talking about correspondents—people who work part-time, for example, for the *Star* and part-time for other people—well, then you get into a never-never-land because I think every newspaper has about 1000 of these people around the world they call on at one time or another; but if one had the revenues from both sources and decided they were going to use this to develop a news service, obviously they can go further than a competitor who only has the revenues from one source.

The Chairman: Before we ask Mr. Goodman to comment on that, I would like to ask the other question, and round figures will do in answering this question. How many more newspapers on the average do you sell than the *Telegram* at the present time?

Mr. William C. Rankin, Manager, Toronto Star: One hundred and forty five thousand.

The Chairman: One hundred and forty five thousand more than The *Telegram*?

Mr. Rankin: Yes.

The Chairman: How many more newspapers than The *Telegram* did you sell in the last year before CFTO went on the air; in round figures? Would it be more, Mr. Honderich, from memory in round figures?

I will put it this way. Let us be specific. You enjoyed a very sizeable lead at that time.

Mr. Honderich: Yes.

The Chairman: So you see my next question which is: does this advantage the *Telegram* enjoys with CFTO really matter to the newspaper because of the enormous lead you have over The *Telegram*? It may even be broader today than it was before CFTO went on the air.

Mr. Honderich: But a number of competitive factors have been at work during this period only one of which has been television.

The Chairman: What are some of the others?

Mr. Honderich: Going back to the time The *Telegram* got the licence, they were the only newspaper in Toronto with a Saturday supplement and they enjoyed a lead on Saturday over their weekly average of about 75,000 papers.

For competitive reasons we introduced a supplement and today we have a lead over The *Telegram* on Saturday of more than 100,000. The quality of the newspaper has changed during that period. We have deliberately embarked on a policy of stepping up editorial expenditures to improve the quality of the paper so one cannot isolate this in relationship to television.

I want to emphasize, I am not here crying or complaining. I am merely pointing out the potential danger that exists for an independent newspaper.

The Chairman: I should make it clear that I do not sense in your brief at all that you are crying or complaining. I should make that clear.

The only point that I am making, Mr. Honderich, is as I read your brief, I was repeatedly impressed with the fact that you have this margin over The *Telegram* in spite of the fact that The *Telegram* has CFTO, so I do not think that answers your point about the potentiality and so on. I take that point but still the important fact remains: would the margin be wider if The *Telegram* did not own CFTO?

Mr. Honderich: No, I do not think it would, Mr. Davey. I think there are so many elements involved in this question it is dangerous to generalize.

One must recall that in the initial period after *The Telegram* got into broadcasting, their revenues obviously were going to retire capital or retire loans. I would imagine that at some point along the line, if not now, very soon they will move into a position where their earnings are no longer needed for this purpose and then you might see an entirely different situation.

The Chairman: I think before we turn to other questions that Mr. Goodman was suggesting that he would like to comment on this statement by Mr. Basset that *The Telegram* has more foreign correspondents than any other paper in Canada—if I am quoting Mr. Basset correctly and I am not sure I am. He said something to that effect.

Mr. Goodman: The point is simply what are you counting? There are what you might call three different categories of foreign correspondents. The ones that are on a payroll, who according to most of the witnesses who testified here, are staff correspondents sent abroad—Canadians who go abroad to report some important part of the world for two or three newspapers through Canadian eyes and which will give people in your own newspaper a chance to say "I want to be a London correspondent or a Washington correspondent."

If you restrict the count to that then *The Star*—depending upon whether *The Telegram* has any staff in London or not at any particular time, is at least equal or better than *The Telegram*.

Now, in addition, you pick up certain people in the second category to whom you pay a retainer and who do most or some of their work for your newspaper and they also work for some other newspapers, and it is these people that *The Telegram* counts when it says it has more foreign correspondents, but these are not Canadians. They come to Toronto once or twice a year for this year-end television operation to discuss the world. But, if you are really talking about the virtue of having Canadians overseas to report back through Canadian eyes, they do not count.

We have the same kind of people in all important parts of the world as well. We do not consider them as staff correspondents. For example, in Israel we both have people who

are either on retainers or at least do work for us, but who are working for other publications as well. I do not consider them to be staff correspondents, but foreign correspondents, in the sense of men who write for us and provide us with news which is of particular interest.

When it comes down to Canadian eyes abroad, which I think is the real test, the *Star* visits more countries and sends more people overseas and travels more miles, paid for by itself, than any other newspaper in Canada.

Mr. Honderich: Mr. Goodman, would you also mention our policy in respect to junkets and travel.

Mr. Goodman: I will do that little thing. There are a number of invitations that are extended to newspapers to come and visit some places such as Las Vegas, courtesy of the airline that flies you there or of hotels that operate there.

It has been suggested to your Committee for example, by at least one witness—what coincidence that the story which tells about the virtues of those places appears on pages that happen to advertise the same places.

As far as the *star* is concerned the *Star* does not accept any free trips. This includes political trips, travels trips for any part of the newspaper. If it is a question of a Government plane taking politicians some place and the only way to go in is with those politicians we will determine a commercial fare and reimburse for that amount. We may have to go on the plane, of course, if it is not a charter.

The main point—and we are very proud of it—is our travel writers pay their own way everywhere and the copy people and advertisers in those pages do not feel they are necessarily always glowing about what the accommodation is like.

The Chairman: From your experience that at variance with the travel records many other papers in this country?

Mr. Honderich: Most other papers.

The Chairman: Most other papers.

Senator McElman: Just to fill in one little detail; the advertisers in the newspapers, Mr. Goodman, do not get any special rates?

Mr. Goodman: I do not know.

Mr. Newman: No, there are no special rates.

The Chairman: I have only one other question on CFTO, if I might, Mr. Honderich.

In paragraph 114 of your brief you say "Government policy—simply the award of a CTC licence to the *Telegram*—has already created a problem for competing newspapers in Toronto. Ottawa therefore has a responsibility to redress the competitive balance, and only it can do so. The Canadian Radio Television Commission should either require newspapers to divest themselves of TV station ownership, or it should make TV outlets available to competing newspapers."

Which of those would you prefer?

Mr. Honderich: Well, we would have to start with our first principle and that is that we believe there should be many voices in the field of communications.

When we made an application for a television licence in 1959 we said at that time we were making it for competitive reasons and we thought there should be no award to a newspaper.

So long as the number of channels is limited, I think public interest requires independent ownership. With the new development of cable television opening up as many as 54 channels within a city, the problem of a limited number of voices in the field of communication no longer will apply.

It may be then that newspapers can operate without violating this fundamental principle or operate in broadcasting.

The Chairman: Well, now, on that subject, when Mr. Bassett was here one of the questions we put to him was "Which is the second-best newspaper in Canada?"

He said he wasn't sure. He said it was either the *Globe* or the *Star*. What do you think is the second-best newspaper in Canada?

Mr. Honderich: Well, I can give you an answer but the answer would not be worth anything.

The Chairman: On the contrary, I think it could be very helpful.

Mr. Honderich: I don't think you can make comparisons of newspapers in this manner.

The Chairman: Quite.

Mr. Honderich: I think you have to look at their constituency, the requirements of their constituency and the job they are doing to serve them. The best newspaper may not

necessarily be the largest. I think this would be pretty difficult. One would have to go into the communities and assess the requirements of the communities and the job the newspaper is doing to meet these requirements.

If the test is, first all—what is your aim as a newspaper? We cite as our aim mass circulation. We feel we have an obligation to inform all the people in the community, not only a part of the community, and the figures show we do this in the Toronto area.

More people of all age groups, of all income groups, and of all educational levels up to college, both the *Globe* and ourselves reach 49 per cent of this audience, so we have more readers than any other newspapers. So by this standard we have been successful in reaching the most audience. But does this make it the best newspaper?

The Chairman: This is a question you may not be able to answer, and if you prefer not to, do not.

From your experience, outside of Metropolitan Toronto, can you give us one, or can you give us several examples of newspapers which you think serve their constituency well?

I appreciate you may not be prepared to do that on the spur of the moment.

Mr. Honderich: Well, I will give you one example. I must admit a certain prejudice here. I started my newspaper career on the *Kitchener Record*, and I still look at it, and I regard it as one of the finest provincial papers that I have seen published anywhere.

The Chairman: Good. For what it is trying to do.

Mr. Honderich: Yes. I would like to say I have great respect for most of the *Southam* newspapers published in the country because I believe they have high standards and are going, to the best of their ability, a fine job.

Mr. Fortier: On that note, Mr. Honderich, would you think the *Globe and Mail* has become a better newspaper since it joined the FP group?

Mr. Honderich: I want to give you honest answers to these questions, and I am now speaking about my competitors. I must be very careful that what I say is not in bad taste.

The Chairman: You should be aware they have all spoken about you.

Mr. Honderich: I have a great respect for the *Globe and Mail* as I do for the *Telegram*, but as a professional journalist and more importantly as a Canadian interested in seeing the Canadian people get Canadian ideas, I must say that I am not impressed with an organization that relies so heavily on foreign news services.

If you take the foreign news service out of that paper, then I ask you, what have you got left?

Now, if you want to hold this up as an example of a chain newspaper, it does not meet my requirements as a Canadian citizen of what I expect of it.

The Chairman: Mr. Bassett told us when he was here that the *Telegram* is the most quoted newspaper in Canada. Why is that? Is it true, and why is it?

Mr. Fortier: Anything you say here is privileged.

Mr. Honderich: I think the *Telegram* is a good newspaper and a lot of things that they print are interesting and would be picked up by other people.

Now, we have syndicates through which we sell things that appear in *The Star* and also things we purchase for resale.

If I wanted to give a lot of things away just to have a little scratch line, "Reprinted from the *Toronto Daily Star*" I think perhaps that I might challenge Mr. Bassett in this area, but it is not important to me.

The Chairman: You mentioned the *Star* Syndicate. I must say I am surprised that the *Star* Syndicate, which circulates the column of Bobby Orr, whom we were discussing the other day, finds this necessary to recruit a *Globe and Mail* sports writer to do the column.

Would you comment on that?

Mr. Honderich: Well, Mr. Davey, I would think you will find the *Globe and Mail* writer was recruited by the Bobby Orr Enterprises.

The Chairman: Not by the *Star*?

Mr. Honderich: To my knowledge; although, as a matter of fact, I did not know out this matter until you asked your question the other day, and then I asked for a report on it.

I wondered how I might answer your question if you asked whether I thought it proper

for Bobby Orr's column—or a column written by someone else to appear under Bobby Orr's name.

The Chairman: Would you like to answer that question?

Mr. Honderich: I think then that my answer should be that Bobby Orr is a busy man, like many of the senators, and he needs the help of a staff, the same way that, I imagine, your staff helps these gentlemen in front of you to prepare questions in consultation.

The Chairman: You would be surprised how independent, the senators are in approaching their questions, I can assure you.

Mr. Honderich: All politicians make speeches. If you would like to acknowledge at the outset that this speech or part of it was contributed to by someone else, then perhaps newspapers could also say the Bobby Orr column is written in collaboration with someone else.

The Chairman: I think that is a pretty good answer. Let us go back to why you have *Globe and Mail* rather than a *Star* sports writer do it?

We used to always have Liberals write speeches for Mr. Pearson.

Mr. Fortier: That is your problem.

Mr. Honderich: Mr. Davey, as I said, I do not know about this matter until you asked the question and the information I have is that this was done through the Bobby Orr Enterprises. I do not have personal knowledge of this.

The Chairman: I hope I do not appear from this line of questioning to be antagonist towards Bobby Orr. I happen to think he is the best player in the league.

Senator Prowse: To whom does the *Star* cheque go for the column?

Mr. Goodman: The *Star* buys it from the Syndicate. The Syndicate buys it from Bobby Orr Enterprises Limited.

The Chairman: I assume this is standard practice. In other words, you carry a column by, I believe, Arnold Palmer. You have a Ron Clark column. You used to have a Nan Greene column and a Gordy Howe column. Bobby Hull wrote a column. This is all presumably handled in this way, or something like it.

Mr. Goodman: Yes. Most of the big name athletes are incorporated and we or the Syndicate buy material from the company.

The Chairman: Do big name politicians write their own material?

Mr. Goodman: We used to believe they did.

Senator Prowse: They do not get columns either.

Mr. Goodman: I assume the Prime Minister writes everything he says.

The Chairman: It is now 11.30. I am going to suggest we take a break until 11.35, to give the reporter a break. We will resume our questioning in exactly five minutes.
—A short recess.

The Chairman: Honourable senators, I would like to call the session back to order. I think that Mr. Goodman indicated to me he wanted to add just a word in connection with the final question before we had our recess.

Mr. Goodman: It was in connection with the Bobby Orr column. I would like to point it out—to use a specific example but it applies to any sort of a syndicated column by a big name figure—the stipulations that the Syndicate and the *Star* make with Bobby Orr enterprises are these. Whoever wrote the column in collaboration with Orr, that copy that came out had to be professional and meet our standards and that the Bobby Orr enterprises were responsible for paying the writer.

The practice that has emerged is that Orr and the writer collaborate especially in terms of ideas. Orr happens to have a lot of ideas and thoughts about his colleagues in the National Hockey League. The writer will sit down after his collaboration, and write the column. It then goes to Orr's lawyers who hand it to him before it comes out to the syndicate.

Under these circumstances we feel that the column actually reflects the thoughts and views of Bobby Orr on whatever subject is in the paper that day.

Senator Sparrow: Have you ever tried to follow that chain through to find out if that in fact happens?

Mr. Goodman: Oh yes. The example that was used, when that came up, we went to the lawyer to get his viewpoint. He made an example, this next column was one on Esposito because Orr wanted to say some-

thing about Esposito not being valued enough. Orr spied out his views on Esposito and the lack of appreciation and that is the next Bobby Orr column.

Senator Sparrow: The publisher of the *Calgary Herald* was here and this was when the question came up, and led us to believe he thought it was written by Orr himself. He made that statement. I would certainly think the general reader would feel that is in fact written by Bobby Orr.

Mr. Fortier: Not any more.

Mr. Goodman: But the reader surely reads the Bobby Orr column because of its ideas, not because of its style, and the ideas are Orr's.

The Chairman: Well, I think we get the idea. I am sorry, do you want to add something to that or not?

Mr. Honderich: I think the senator raised a point that from the viewpoint of professionalism should perhaps be considered. I think you are right. A person reading the Bobby Orr column thinks it was written by Bobby Orr. Maybe there is an argument that one should say "By Bobby Orr, in collaboration with so-and-so".

I am not being facetious but if that is a valid principle, then how far do you carry it? I mean, let us just take the speeches that people in public life make.

Senator Prowse: The Prime minister has told you.

The Chairman: On that note I think we might turn to other questioning. I think Senator McElman is next.

Senator McElman: We had testimony recently from the Canadian Association of Professional Journalists.

The Chairman: That was yesterday morning.

Senator McElman: Yes.

The Chairman: Of course, you know that Mr. Goodman was one of the people in attendance. I think I can say this in fairness, Mr. Honderich was also in attendance for much of the morning as well, not as a witness, but I think you heard what was said.

I am sorry. Go ahead, senator.

Senator McElman: I am reading from a newspaper report. Mr. Drea said at a later point:

"If we look at the cumulative press reports on the committee's hearings, for the average reader it seems to centre around publishers calling for an end to succession duties and that they are doing a good job."

At another point he says—this is in the brief that Mr. Drea submitted to the committee. Mr. Drea stated that:

"The almost complete lack of testimony and senatorial inquisitiveness directed to the professional standards of news reporters can only be described as dismaying".

The point was raised at that time that these matters actually had been dealt with at length in the questioning and in answers given. In fact, most of the briefs presented on behalf of the chains and independent ownership have suggested to us ways in which they help in training, and so on, to improve professional journalists.

The question that I asked of them was: how could it be that this does not get through to them; the people who are vitally interested, that these efforts are actually being covered in some depth?

Mr. Honderich: I heard that discussion, senator. What was not clear in my mind is what was meant by "standards"? Were you talking about the standards a newspaper should have in hiring a reporter or were you talking about the standards of journalism? I was confused.

Now, if you were talking about the standards of journalism, then I have failed to read in the press accounts any serious discussion of that matter.

If you were talking about the standards of a newspaper in hiring reporters and the conditions and criteria they should meet in performing their function, I do not think I have read in the papers very much about that. If the discussion has taken place then the press has been very lax in reporting it.

In the discussion yesterday morning I was very interested to hear Mr. Drea say, as an aside, that he travels quite a bit throughout Ontario doing work for the Ontario Government.

The question this brings to my mind, as a publisher, is: Is this not an inherent conflict of interest? How can a reporter accept payment from a Government agency for work he does on his own time and then be objective, if it is required, to write about that agency?

To my mind there has been no discussion of professional standards in this area. So far as the industry is concerned, I have not heard any discussion on such matters as privacy. I was touched here this morning in respect to people in public life, but what rights of privacy do exist and where is the press offending not only public taste but perhaps public interest in going beyond a certain line. I heard no discussion of this.

I have heard no discussion as to whether or not the press and magazines generally should properly pay people who have been convicted of offences for their articles. Is this in the public interest?

So, if you are talking of standards, from my point of view, no. I am not aware that you have gone into these areas.

The Chairman: Just on a point of clarification. The whole question of standards that was raised yesterday in the discussion was not raised by the senators. It was raised by the witnesses and the standards to which they were referring—I think I state it correctly—were standards for reporting and for reporters.

Mr. Honderich: Has there then been sufficient discussion in this area?

The Chairman: To answer your question, although I am not a witness—I would say I do not think sufficient, but I am sure there has been a good deal, yes.

Mr. Honderich: We have newspapermen reporting proceedings without the benefit of shorthand or speedwriting. What is the responsibility of the press to the public, not only to the public but to you gentlemen in this area? These are things that I think the committee should be discussing.

The Chairman: Senator McElman?

Senator McElman: Well, I suggest we have touched most of the basics, first of all, which you referred, and most of the questions which you raised, sir, in some depth.

The question that is in my mind out of this is that since we have in some degree covered these, does the question raised yesterday by the Professional Journalists actually constitute a criticism of the media, that the reports have in fact given emphasis to the points which the publishers and owners want to give emphasis to?

Mr. Honderich: I don't think so.

Senator McElman: You do not believe that.

Mr. Honderich: No. I think that they have listened to the hearings and as professionals arrived at a judgment of the things that they think are important and significant and interesting, and they have written about these things.

The Chairman: This is just an observation. I always feel very sensitive in this area because I feel that it is impossible to ask these questions at this type of discussion without some reference to the coverage which the hearings have received. While in terms of breadth of coverage it has varied greatly across the country, in the Toronto area, for example, the coverage has been intensive. I think it has been good. I think it has been fair. At the same time, although this is not in any sense critical of the reporters who are here, or indeed of the newspapers who have published their views—nor, let me underline this, am I attempting to patronize these people, I would suggest you cannot fully appreciate what is happening here without reading the transcript. I think that is terribly important. I cannot say it often enough.

Senator McElman: I appreciate your concern, Mr. Chairman, and I share it. Let me suggest that I was not being critical in that sense nor was I attempting a judgment on the basis of testimony yesterday.

The Chairman: Quite. I appreciate that.

Senator McElman: What I am trying to get now is both sides, to consider divergences of opinion, simply to get information on the record.

The Chairman: Fine.

Senator McElman: I was not being critical.

The Chairman: No. I take your point.

Senator McElman: I am not forming judgments on the coverage of this committee.

The Chairman: I might say I was referring to the Senators but to other people interested in the committee.

Mr. Honderich: But, Mr. Chairman, I think our people are too timid. I think that in addition to being Senators that you are Canadian citizens. You have certain basic rights. It may be your function to criticize the press. I would not apologize for criticizing the press. This is our right. The trouble with the press is that there is not enough criticism of it.

Senator McElman: I assure you, sir, I make no apologies.

Senator Prowse: We have not written our report yet.

The Chairman: If you are under the impression we have not been critical, I think that would be an erroneous impression.

Mr. Honderich: I interpreted the senator's remarks to mean he did not mean to be criticizing the press. What I was trying to do was to say he has the right to criticize the press and the more criticism we get will produce better papers.

The Chairman: If I may hone in on the point, before we turn to Senator McElman, that I had been making or he was making: we are not being critical of the coverage the hearings are receiving. I think in that specific area would be reluctant to make any observations until the hearings are completed and our recommendations are in our report.

Senator McElman: I must say, Mr. Chairman, I deeply appreciate Mr. Honderich's suggestion I do have a right to be critical of the press. In some areas I do not have such a right.

Senator Smith: It is the chain gang.

Senator McElman: As to the press council, quite aside from your enthusiastic approval of it, I take it, we have had suggestions from some witnesses that perhaps it might be a good thing but it would take some two or three years, as I recall the testimony, to set it up.

Do you see any reason why it should take such a length of time?

Mr. Honderich: Well, if the publishers were willing, it could be set up in a matter of weeks and it could be functioning in a month.

Senator McElman: We also had testimony from one of your friendly competitors, Mr. Bassett, that—I am not putting words in his mouth, I am not exactly quoting him—he believed there to be a cartel in the newsprint industry and that something should be done about it.

Have you any views to express on that?

Mr. Honderich: Well, I do not know any publisher who does not believe that the price of newsprint is too high. I am also aware of the fact that, if my memory is correct, over 90 per cent of the newsprint produced in Canada

is sold in the American market and abroad. This means, in effect, Canadians do not have too much bargaining power.

To be fair to the industry and relating it to our own operations, our labour costs are going up. I assume their labour costs are going up. If I thought there was a cartel raising prices then I would certainly be taking appropriate action.

This is an area in which newspaper publishers are pretty touchy and certainly if I could buy our newsprint cheaper, this would reduce our costs substantially.

I do not think it is fair to make broad generalizations and certainly in my experience I have no knowledge of the existence of any cartel.

Senator McElman: You do not feel strongly enough about the subject to suggest that there should be any intensive investigation of that area?

Mr. Honderich: No. I can only say if I felt there was restraint of trade here or if I had any evidence to suggest it I would be the first man at the door of the Restrictive Trade Prices Commission to bring it to their attention.

Senator McElman: Your newspaper is recognized as one of the more reformed-minded newspapers of Canada. I assume that you keep a running professional measurement of your readership market. If you have such studies, what do they indicate about the percentage of youth who are reading your paper? Is it going up or is it going down?

Mr. Honderich: We are very satisfied with it. I think there is a very significant difference in newspaper readership in Canada and the United States. The readership of newspapers among young people in Canada is increasing.

Senator McElman: Are you making any special efforts for changes in your format or approach to be truly relevant to the youth of today?

Mr. Honderich: We are trying to, senator. I do not know whether we are doing enough. I think this is very important.

In our philosophy of publishing, we do not believe in putting a special section for youth. We would like to involve youth in the whole spectrum of news so we very deliberately searched out certain subjects and discussed them from the point of view of young people to try and involve them and I think, to a degree, that has been successful.

The Chairman: What would some of those subjects be?

Mr. Honderich: Well, drugs would be one of the obvious subjects.

The Chairman: Senator McElman?

Senator McElman: On the matter of Biafra that has been one...

The Chairman: May I just ask one more question before your line of questioning changes? The other day we had a full page from the *Montreal Star*. I intended to bring it with me this morning, but I think Senator Hays took it back to Alberta with him. There was a picture—are you familiar with the page?

Mr. Honderich: I was here during that period.

The Chairman: You saw the page?

Mr. Honderich: Yes.

The Chairman: I will not attempt to describe it. It was not an advertisement.

Senator Prowse: Go ahead, try.

The Chairman: Would that kind of page run in *The Toronto Star*, Mr. Honderich?

Mr. Honderich: I think you would have to go back and ask yourself what the purpose of the picture was.

If the purpose of the picture was to try exploit sex for commercial purposes to draw the attention of the readership, the answer "no".

On the other hand, if a picture like that was essential to the intelligent understanding of the subject, certainly we would print it. The question is whether it is a necessary element in public understanding of what you are trying to write about.

The Chairman: I asked Mr. Walker—y were here—about the use of four letter words. Does *The Star* use the so-called four letter words?

Mr. Honderich: Yes. Again you have to go back to specific stories and the background of those stories. The use of a four letter word where it is not necessary is frowned on at all places but where it is essential to the understanding of the story—for example—many years ago when Pierre Berton was writing a very fine column for *The Star* he was writing an article on racial discrimination and

problems certain coloured people had in getting apartments, and as I recall it, he went with a coloured lady to some area of the city to rent a room; and when the proprietor came to the door and found out a negro lady wanted to rent his premises, the descriptive word he used, and which I will not repeat here, conveyed such vehemence and such antagonism towards a coloured person, it was really essential to the understanding of what went on in that interview and we used that word.

But, in another context I would not use the word, so the question is: Is it necessary to convey the full meaning of what transpired?

Senator McElman: I would like to draw attention, Mr. Chairman, to the apparent indifference between what is taking place in the United States today and the approach taken by Mr. Honderich. Perhaps he would like to elaborate further.

Currently in the United States there is a tremendous lobby on the part of the media to prevent—I think would be the proper word—congress from doing anything with respect to them in the anti-trust or combines legislation.

As a matter of fact, I think the effort is to have them excluded from such legislation.

The Chairman: They are not trying to prevent, they are trying to persuade them to exclude them.

Senator McElman: I take it your suggestion that in cases where it is felt that the public interest is endangered by the extent of range or conglomerate ownerships—correct or if I am wrong—that our legislation should be amended and strengthened in this regard to meet such situations. Am I correct in that?

Mr. Honderich: Yes. Again I do not like to generalize, but I think one must go back to the specifics. I think we all recognize by means of taxation, for example, if you want to go back to the old corn laws, we can prevent taxation on publication of newspapers but I oppose any privilege or preference of any kind by way of taxation or otherwise for newspapers.

I do not think that newspapers should enjoy any special rights. I think they should be subject to the laws and taxes which generally apply to all corporate enterprises in society.

Senator McElman: The question of Biafra, which I started to raise a moment ago, has been made the subject of a fair amount of

hysteria, I believe—that is a personal opinion—by the extent and nature of its coverage by media with particular reference in our own nation.

I believe it is your issue of yesterday, the front page says "Rape, Looting 'stories exaggerated', Canadian Says reports Hamper Nigeria Relief", and it is quoting General A. E. Wrinch.

You have had one of your staff reporters on the scene, I believe, sir, *Bob Reguly* who, in my opinion, is one of the finest Canadian reporters and incidentally the man who, through his investigative reporting, uncovered Gerda Munsinger, and among other things found Hal Banks.

Mr. Honderich: Bob is a very fine reporter. I think he has been sending some very balanced stories from Biafra. I do not know that there was a specific question.

Senator McElman: I have not come to it yet.

Mr. Honderich: I am sorry.

Senator McElman: I was coming to the point because there seems to be a rising suggestion that there has been imbalance, if you will, exaggerated references to the sensational aspects of the great problem they have in that nation, would you in the ordinary course of events—even though you have great faith in your reporter—run checks to determine the balance and so on of the reporter? Would you accept at face value he had done a balanced job?

Mr. Honderich: Well, I think you develop confidence in certain reporters. I happen to have a very fine staff so I think I would be perhaps 99 per cent biased in support of anything the people on our staff wrote.

On the other hand, in the nature of our business there are checks and balances because in addition to the story we would get from *Bob Reguly* from Nigeria, we will have available to us Associated Press, United Press International, Reuters, Canadian Press, Chicago Daily News Service and London Express Service.

Now, if you see something in *Bob Reguly's* story that is not referred to in any of the other stories then the editors, in the normal course of events, would get in touch with *Bob Reguly* and say "Now, this has not been covered by anybody else. Would you like to tell us a little bit more about it?" And this is the process of checks and balances which works all the time.

The Chairman: Do you have a supplementary, Mr. Fortier?

Mr. Fortier: Yes, Mr. Chairman.

Senator McElman: If I could just finish mine first.

The General, I believe, has not singled out your newspaper, he has spoken of the world press in this regard. Because of the nature of his comment, would your newspaper perhaps think it advisable that *Reguly* or some other person should interview the Nigerian authorities and perhaps interview the General himself in more depth to see if there was another side of the story which should have greater reporting?

Mr. Honderich: Well, Senator, my problem as a newspaper reader is that I have read so many conflicting reports on Biafra from all the people that you have indicated, I would find it rather difficult to decide where the truth lies.

Senator McElman: I think the Canadian people are in the same situation.

Mr. Honderich: Yes. I think the problem here is that we have not set out the various points of view but that the points of view are conflicting in themselves. Here again we are back in the area of free discussion basically, and the whole theory of free discussion is not that the truth will emerge under the circumstances in every report, but rather it will emerge from free discussion of the subject.

I think it is going to be some time perhaps before we will arrive at any final conclusion of what has been happening.

The Chairman: Mr. Fortier, you have a supplementary question?

Mr. Fortier: Yes. It is with respect to something which Mr. Honderich said about five minutes ago when we were speaking about copy coming in from *Bob Reguly* or one of their reporters in whom Mr. Honderich has some confidence.

I believe the *Toronto Star* is one of the very few Canadian papers which maintains on its staff re-write men. Is that correct?

Mr. Honderich: Perhaps yes and no. We have a re-write section.

Mr. Fortier: You have a re-write section. How do your reporters react to the work which is performed by the re-write section? Does it not multiply the multiplicity of errors or the possibility of errors?

Mr. Honderich: This is the inherent danger in it, but if you have a story that is developed in four or five different points, somebody has to put it together in an office and this is the function of the re-write desk, and while we may have a special section we call a re-write desk, no newspaper can function without that service somewhere in its operation. Whether they call it re-write or whether the work is done by copy editors, someone must perform this function.

Mr. Fortier: You have not found this has discouraged any of your reporters?

Mr. Honderich: Well, I think a good paper is a reporter's paper, and that every time you re-write a reporter's original story, you run the risk of losing something.

Mr. Fortier: That is the point.

Mr. Honderich: From that point of view, do not like it. On the other hand, if you have something happening in four or five different places and you have a deadline coming up in a half an hour, there must be a physical way of getting all this information flow into a central point and have it related.

Mr. Fortier: Would this be the one instance where a re-write desk is put to work where you have stories coming in from four or five different places on one particular subject?

Mr. Honderich: This would be its prime use but stories are also rewritten quite often simply because the editor cannot understand what the reporter is trying to say, so it goes on to a re-write desk and have them try to make some sense of it, so to speak.

Mr. Goodman is much more familiar with the operation of the re-write desk than I am. He will be able to answer it.

Mr. Fortier: I think it would be very interesting to hear what Mr. Goodman has to say.

Mr. Goodman: No. Fundamentally there is no question that there is an inherent possibility of mistake. Mistakes occur every time a change is made in a story simply because human beings are doing it and he can make an error.

On the other hand, if you have a story that is either lacking in facts, which are necessary for understanding it, or that its composition is in a style which makes it difficult to understand, then the reader will be better served by someone with more skill, in effect, handle it.

and either develops these facts or adds these facts, whichever is necessary, or switches the words around so it comes out with more clarity.

Mr. Fortier: Under those circumstances, do you still give credit to the reporter who wired in the story to the newspaper?

Mr. Goodman: No. If you are talking about a story with a by-line—on a story with a by-line by and large we are talking about 95 per cent of the stories, there might be a paragraph that came out of the wire service or a background paragraph inserted if those stories are not changed.

If the story is going to be materially changed, then the by-line is taken off.

Most of the stories that are re-written are local stories which either develop in time or which were done by people who, by and large, are not as competent as other reporters. If you have a staff as large as ours, particularly when you are trying to train, as we do in the summer, for example, a large number of people, they are not as skilled as a senior reporter and it may occur that in gathering the story they may have written it too long or without the clarity required for the reader. In that case it will be re-written.

Senator McElman: Returning to this matter in Biafra, I am speaking to you more as a Canadian than a publisher, sir. There has been a great deal of emphasis by the media upon the responsibility that apparently rests with the Canadian people to feed and rehabilitate, and so on.

I appreciate this arises largely out of the fact of the war. At the same time there are many other peoples in the world, the Indian nation, for instance, where people die by the millions.

How would you relate the great emphasis upon our responsibility in the Biafran-Nigerian situation to our responsibility to the Indian people?

Mr. Honderich: Are you talking about Canadian Indians or...

Senator McElman: No, the nation of India. I will get to the other in a moment.

Mr. Honderich: I think we have a responsibility... you are asking me now for my personal views. Surely our basic value in our society is the importance of the individual. Human life is very important. You have an emergency situation in Biafra and perhaps

that means their needs must be looked after first, but I think we have an equal responsibility to hunger and suffering wherever it exists in the world.

Senator McElman: Then there is not on the part of the media a continuing pressure upon the Canadian Government to assist any other nations. Should there be?

Mr. Honderich: Well, when you say the Canadian newspapers, I would think...

Senator McElman: The media.

Mr. Honderich: Or the media. We have strongly supported foreign aid for very many years. We feel much more should be done in this area.

Senator McElman: In this same context, do you believe that the media have a special responsibility to maintain pressure upon men in public life with respect to the problems of our native people and are they meeting that responsibility?

Mr. Honderich: I do not think the newspapers or the people in public life are accepting and facing up to these responsibilities. I think it is tragic the way we have treated our Indian and Eskimo population.

I think if the press was doing a better job in this area, then perhaps some people down here might be more inclined to do something about it.

Senator McElman: Yes. It was because of your attitude in your own paper that I raised this. You feel that the media should be doing much more in this respect, that they are falling down.

If there are no supplementaries on that, I would like to turn to one other aspect.

The Chairman: Fine, go ahead.

Senator McElman: By policy, radio and television are not very strong on editorializing or interpretive reporting. Does this throw upon the press media, particularly daily newspapers, a particular role to be perhaps hyper-critical of those in public affairs?

Mr. Honderich: I do not think so.

Senator McElman: You do not think so.

Mr. Honderich: I do not think broadcasters are accepting their responsibility in this area. I think that is one of their functions and they are just not accepting it. To argue you cannot take a position because you are the only radio

station or television station in the community is the same thing as a chain newspaper saying it should not take the position because it is the only outlet, and it is this attitude that is really preventing in Canada the kind of discussion we should have about public affairs.

The Chairman: Mr. Honderich, there was another question. You were an officer of the Guild—one of the earliest officers of the Guild. You heard yesterday one of the witnesses say—I think it was Mr. Drea and I am not certain of the actual terminology used—but to all intents and purposes it was that the Guild was really failing in its mission of organizing papers across the country.

Do you agree with Mr. Drea's comment and if you do, why is this the case?

Mr. Honderich: Well, I think it is the right of Canadians to organize and bargain collectively. I think it is also their right not to organize and bargain collectively. It seems to me that the Guild has not been able to convince the people in the majority of newspapers that there are sufficient advantages in union organization.

I would like to mention one of the problems the Guild faces, and I suppose I must accept this responsibility because I was party to the decision many years ago.

The Newspaper Guild started in Canada as an organization representing editorial workers, reporters and editors, and after we had organized the editorial departments on the *Star*, we faced a basic labour problem.

Now, do you try to extend the benefits of organization to people in the advertising department and circulation department, people that clean the buildings and people that drive the trucks?

From the labour point of view there is strength in numbers so obviously you have a responsibility to carry on the organization. We spread out from the editorial departments into other departments of the business. Now, you have a situation in which the Guild encompasses very many different kinds of employees. There is really not much community of interest between the editorial employees, for example, and the people who drive the trucks. They have a general interest at the time the contract is opened to get as much money as they can, but apart from that there is nothing that ties them together as a cohesive unit.

I think this perhaps discourages some of the editorial people in the Guild which has hopes, as I had originally, that the Guild would also concern itself with professional standards, so if the Guild goes across Canada, for example, to try and organize the editorial department of a paper, they really do not have any longer the basic professional basis. It seems to me, that they require to appeal to the editorial people because their policies now must be determined not only on what is good for the editorial people, but also in terms of what is good for the secretaries and stenographers and people in other departments. Certainly the editorial people feel that their problems are different, and that perhaps the should be accorded more in wage benefits than should be accorded to other departments.

In the process of bargaining you tend to arrive at a basis somewhere so if salaries are going to go up they tend to go up on a percentage basis right across the board rather than perhaps recognizing the greater contribution in one area and giving them a large increase.

From an internal union point of view this is not accepted, so I think this is part of the problem.

Senator Macdonald: Just a question or two. To go back to this idea that you accept more and more there will be interpretive reporting would you agree that in this case then the reader is going to have to be assured that the reporter has a background of knowledge and information and texts which will enable him to make a true interpretation of events that he is reporting?

Mr. Honderich: Yes. I think it means reporters must be more competent and more knowledgeable.

Senator Macdonald: Would you also along in that event that they will have to have professional standards because they will have to be a profession in the same way the legal profession is and have to have certain qualifications before they can be hired as a reporter?

Mr. Honderich: Yes. I think there should be standards and qualifications.

Senator Macdonald: The only other thing I had in mind is in that case then would not all reporting of events have to have a by-line, so that a person would know who was doing the interpreting?

Mr. Honderich: Well, I think one has to define pretty carefully what interpretive reporting is and what it is not.

If I may use a very simple example that came to my mind. Some years ago a grand jury in Toronto brought down a report that said conditions at the Don Jail are very deplorable and something must be done about the problem immediately.

The reporter who received a report went to the mayor and said "Mr. Mayor, what about this report?" The mayor said "This is an awful situation. We have to get at it immediately."

Now, in the old context of news reporting, you stop right there. The report said this. The mayor said "Something must be done about it immediately." But then in our paper something else had been done with it which tended to make it an interpretive report and that was a paragraph that was added that said the grand jury brought down a similar report two years ago and one year ago.

Now, you see you read this story. You have to take the mayor's statement that this is a deplorable situation and that something must be done about it as if he had never heard about it before. The interpretive factor was added; is that an essential element that two similar reports had come down in similar years while he was mayor and the reader was apt to draw his conclusion that the mayor had done nothing about it.

Now, this does not require too much skill. It is the adding on of an essential element which is necessary to the understanding of the story.

Senator Macdonald: I think you go further than that. Take a more complicated case of a reporter writing about Biafra. He would have to have a knowledge of the background of that country and what had happened, and all the rest of it, before he could interpret events.

Mr. Honderich: This touches a very broad and I think important question. As I read the newspaper accounts, Mr. Chairman, of the hearings I have heard discussions of whether or not Canadian newspapers should have more people abroad.

If one was to accept your requirement, Senator Macdonald, that you have to know about Biafra to write about it, then of course you would have to have Canadians in every country of the world because one never knows when a problem is going to arise there,

and if we have to know sufficient of the background of the country to present an article, I think this is one of the great problems in having enough Canadians abroad.

I think there is a danger of distortion if a reporter goes into Biafra, or any other country, without any background knowledge and understanding of the country, but I would also think that a good reporter before he gets to Biafra would have found all the literature he could on his subject and had spent many hours reading it.

Peter Newman recently made a trip to Israel and I was most impressed two or three weeks prior to his trip he devoted most of his time to reading about this subject.

Now, where time permits this must be done, but he can even do a lot of reading while the plane flies from here to Biafra.

Senator Macdonald: I had in mind also apart from that that if he was a writer on a political question that the reader might know the writer's point of view. For example, if I happen to be an admirer of Mr. Diefenbaker and if Mr. Newman wrote an article about him, my reaction might be quite different from that of Senator Smith's.

The Chairman: Which Senator Macdonald happens to be, incidentally.

Senator Smith: That was not hypothetical at all.

Mr. Honderich: To the degree that you use a reporter's name I favour it because where the information comes from many sources, sometimes it is difficult.

Senator Macdonald: You have changed the subject. On the idea of freedom of the press do you think there is need for any further safeguards for the freedom of the press?

Mr. Honderich: No, I don't think there are any safeguards. I do not think the press is using the freedom it has.

Senator Macdonald: You mentioned something about...

Mr. Honderich: May I make a comment?

Senator Macdonald: Yes.

Mr. Honderich: One of the editors appearing before you said it was not proper to write editorials about your work because in effect this was *sub judice*. There is a great misconception in newspapers as to what is *sub judice* and what is not.

I feel it is perfectly proper to start to comment on a court proceedings while it is in process provided that the comment is in good taste and provided it is not tending to place the court in disrepute or disrespect. I think there are a lot of things we can do that we are not doing.

Senator Macdonald: Just on that question, do you believe reporters should be able to have the privilege of protecting his sources of information?

Mr. Honderich: I think national interest comes above everything else. If we are talking about sensitive defence areas or a matter involving public interest, I say it comes first.

Senator Macdonald: For ordinary prosecutions in a criminal offence, and the reporter has received something prior to the charge, and the prosecution says "Where did you get that information"?

Mr. Honderich: The test that I would apply is whether the information the reporter has and does not wish to reveal is required in the public interest.

If it is required in the public interest, then I think it should be revealed.

Senator Macdonald: If the judge said "You have to answer that question", you would say he has to answer it?

Mr. Honderich: Yes, because I am arguing here newspapermen have no special rights.

Senator Macdonald: You mention something earlier about *Time* and *Reader's Digest*, if their editions continue it might affect newspapers?

Mr. Honderich: Yes.

Senator Macdonald: I was wondering if you would like to.

Mr. Honderich: Well, these magazines are moving into regional editions in metropolitan editions and, for example, they have a Metropolitan Toronto edition. The Metropolitan Toronto edition was competing directly for the retail type of advertising which is the mainstay of a newspaper operation.

They have none of the costs that we have in gathering the news. The news is dumped in from the United States, so in effect they are able to sell advertising at rates that legitimate Canadian publications cannot match for the same thing.

Senaior Macdonald: There is no reason for say *Time* magazine. It only publishes once a week.

Mr. Honderich: Yes.

Senator Macdonald: You say that they are in competition with a daily newspaper?

Mr. Honderich: Well, as I say they have what they call a Metropolitan Toronto edition in which they sell advertising expressly for the Toronto market. The only place it appears is in the Toronto market so now they are competing then with newspapers for advertising intended only for the Toronto market.

The Chairman: I am wondering on that point if Mr. Bannerman or Mr. Turner could tell us how successful this competition for local advertising has been in Toronto?

Mr. Murray Turner, Vice President Director of Advertising, Toronto Star: It is a fairly recent innovation on the part of these magazines, Mr. Chairman. To date it has not been too successful, quite frankly, but if they continue their pressure, which is considerable for these regional retail dollars, I dare say their revenues will start to move forward.

The Chairman: How long has *Time* been running a Metropolitan Toronto edition, do you know?

Mr. Turner: I cannot be positive but about a year and a half, I believe, but I am not sure on that point.

The Chairman: I was interested in your answer because I have not seen much local advertising in there and I have been watching for it.

Mr. Turner: It is in there.

The Chairman: There is some.

Mr. Turner: Yes, there is.

The Chairman: Do you think they will continue the experiment if they do not get more?

Mr. Donald A. Bannerman, Advertising Sales Manager, Toronto Star: Diana Sweets.

The Chairman: Diana Sweets. Well, then you are. Will they continue the experiment if they do not get more?

Mr. Turner: I would be inclined to feel they would drop it if they do not generate more business.

The Chairman: Mr. Honderich, you make a statement in your brief that there is no local editorial content. The reason I ask that is because there have been several letters, I thought, and Toronto-focused stories. Were they carried in other editions in Canada—say Vancouver, and so on?

Mr. Honderich: I think you will find the statement was only in view of the 5 or 6 pages dealing with Canada.

The Chairman: Of course, I quite appreciate that. But within those first few pages that do deal with Canada, I am wondering if there is any specific variance in content editorially as between the regional editions?

Mr. Honderich: No.

Mr. Turner: The editions that we have seen or the Canadian section is exactly the same or all regional editions.

Senator Macdonald: One final thing. You say in your brief, item 2 that newspapers have

“shown little inclination to criticize its own performance and upgrade its professional standards in any general and systematic way—despite obvious shortcomings and some disturbing tendencies.”

Just what shortcomings and disturbing tendencies did you have in mind?

Mr. Honderich: Well, let us take for example the Canadian Daily Newspaper Publishers Association. This is an association which must reflect the views of the publishers and all of the publishers have very different ideas so it is very difficult to find a common denominator. I was most dismayed as a member of that association with the brief they presented to its committee.

To give you a specific example: they cannot agree amongst themselves as to what constitutes freedom of the press. If you cannot agree on a definition of freedom of the press, you can hardly concern yourself with the standards or responsibilities and I would call this a rather alarming situation.

I think the second problem is that the association is unlikely to concern itself with the problems arising from concentration of ownership when in fact the majority of its membership constitutes group ownership. So the problem is that, in my opinion—and I am in a minority here—the things which they

should be discussing are not being discussed because of this basic disagreement of the fundamentals of our business.

The Chairman: I think Mr. Fortier had a supplementary question.

Mr. Fortier: Why, Mr. Honderich, is there not a Canadian Society of Newspapers Editors?

Mr. Honderich: There should be but you will run into the same problems with the Society of Newspaper Editors that you run into with the Canadian Press.

If we were to have such a society and if we were to propose in such a society that we should have a press council, would the decision be any different than if we get the owners together?

Mr. Fortier: Would you, as a publisher, encourage and subsidize such an association?

Mr. Honderich: By all means.

Mr. Fortier: As you do for the C.D.N.P.A.?

Mr. Honderich: By all means.

Mr. Fortier: Have you done anything towards establishing such a society?

Mr. Honderich: No, because of the basic characteristics of our business. I think one can only talk about standards of professionalism. Perhaps you have decided on a basic definition of freedom of the press because I think all the responsibilities and obligations and criteria flow out of that.

Now, if you cannot get any agreement on that, and if in fact you have sat through three or four meetings of Canadian Press and other societies—NOT Canadian Press but the Canadian Daily Newspaper Publishers Association in which they have argued about freedom of the press for hours on end without being able to reach any agreement, you really do not see much point then in trying to get editors together and see whether they can agree on something that the owners cannot agree on.

The Chairman: Let me say for the guidance of senators that I would hope we may adjourn at one o'clock. I know I have questions from Senator Sparrow. I have questions from Senator Prowse. I have some from Senator McElman and Mr. Fortier, and I have a couple myself. I just want to remind the senators that it is now 12.25.

Senator Prowse: I have a number of questions. Dealing with the press council, would you say that the press council, aside from disciplining its own members after the event, perhaps its chief value would be the fact that they would know the power of discipline was there and that they would then discipline themselves beforehand?

In other words, if I know I am going to get caught if I do something, I am less apt to do it. Would that perhaps be its chief value?

Mr. Honderich: No. I see its chief values in educating the public to the responsibilities of the press. Now, a press council would be formed which will receive complaints, and here I would like to make what I think is a very important point.

A lot of publishers have the idea that if there was a press council that they would be run ragged dealing with complaints and therefore a press council could not be effective. If we follow the British practice, only those complaints which newspapers themselves fail to deal with adequately would go to the press council.

Now, with a press council a complaint would be heard. The press council decision would be published and in Britain the newspapers feel a responsibility to public decisions of the Press Council. The public then get to know about the decision and in future the newspaper that chooses to take a position at variance with the decision which was handed down would have to do so with the knowledge that public opinion might be a factor there.

Senator Prowse: All right. Going on to the question of chains. You said this could be properly turned over to the Restrictive Trade Practices Commission.

Mr. Honderich: What should be turned over?

Senator Prowse: The decision as to mergers or take-overs.

Mr. Honderich: Yes. We do not feel that any take-over by one newspaper or another should be allowed to proceed until it has been examined by some public body such as the Restrictive Trade Practices Commission on the basis of some criteria that will be established to determine whether the take-over met public interest.

Senator Prowse: Would you also think it would be useful in the interest of full public disclosure that every newspaper should carry

either in its masthead or at regular periods during the year a list of the owners and whether there were multiple owners and they had other interests, that information as well?

Mr. Honderich: There should be full disclosure. I agree very much on this point with Clifford Sifton and I think it should be possible at any time for any reader to go to a newspaper office and be told who the owners are. I think this information should also be published in the paper.

Senator Prowse: Now, let us take *Time* and *Reader's Digest*. If *Time* and *Reader's Digest* were subjected to the same, or had to pay the same kind of penalty as other American publishers do—I think it is 12A of the Income Tax Act from which they are exempted.

If 12A was made to apply to them, or they were put in the same position as other foreign publishers, would it be practical or possible for some enterprising Canadian publisher to provide Canadians with a Canadian magazine of this type which might be able to serve a function in this country?

Mr. Honderich: Well, I believe there is about \$10 million, if my figure is correct, in advertising revenue going into these magazines.

Mr. Bannerman: At least.

Mr. Honderich: At least. Now, \$10 million being spent by Canadian advertisers in American magazines which even the late Mr. Luce described as American magazines, not Canadian magazines. If this money were available in Canada for the magazine press, it would certainly encourage development of Canadian magazines.

Now, if your question is would someone then produce a magazine similar to *Time*, I do not know. The Canadian market and \$1 million would not support the kind of editorial operation that *Time* magazine is now able to engage in because the market in the United States is much larger, so perhaps it could not go to the same length that *Time* does today in covering news; but what you would get are Canadian magazines edited by Canadians for Canadians and expressing a Canadian point of view.

I think you must recognize here that newspapers are regional. We do not have national newspapers in Canada because of our geography, so therefore we only have such things as the CBC and CTV and in the print area very few publications dedicated to developing

point of view; and it seems to me these are the cohesive elements that are needed to tie this country together. This is what we are being deprived of.

Senator Prowse: As long as *Time* and *Reader's Digest* enjoy this privilege, it is going to be practically an economic impossibility for any enterprising person to set up the type of thing you and I have been talking about here.

Mr. Honderich: Senator, I submitted a brief some years ago to the O'Leary Royal Commission on Publications. I said at that time if the Government did not act that slowly Canadian magazines would disappear from the scene. I think all that has happened since then supports the statement I made.

Senator Prowse: You have been very respectfully correct.

Moving from that then to the question of criteria: I can think of nobody who would be better able to give this committee some basis for a report on the criteria which will be useful for editors to consider in selecting their staff than yourself.

Now, can you tell me what you look for when the *Star* hires a reporter? What criteria do you use in first taking men and then promoting them.

Mr. Honderich: We look initially for people with a pretty liberal education against which they can apply the techniques we can teach them.

Senator Prowse: By pretty liberal education, can you translate that down into—does that mean a B.A. or a B.Sc., or how do you determine that?

Mr. Honderich: A liberal B.A., I think, is a good starting point.

Senator Prowse: By liberal, does it indicate what kind of subjects would you think he ought to take?

Mr. Honderich: History, economics, English. I think those are the three important ones.

The Chairman: Any politics?

Mr. Honderich: Canadian politics, yes.

Senator Prowse: I have another hang-up on these things, political scientists and sociologists. In other words, you would give them a pretty general basis. You look for this first.

Mr. Honderich: Knowledge of the country and the society in which they live.

Senator Prowse: And then you can give them the techniques when you get them.

What about journalism schools in Canada? Have you found that they have been any kind of fruitful source of material for you?

Mr. Honderich: I would like to answer this in two ways: that you find in the journalism classes people who are interested in newspaper as a career and if a person has an interest in following a profession, this is certainly an added advantage. So we do find some of our people in the school of journalism. My own view is that there should not be undergraduate schools of journalism, but journalism should be post-graduate because I think that before you concentrate on techniques, that you need to have the background against which you are going to apply these techniques.

Senator Prowse: You need the box of tools before you can use a tool that tells you how to use it.

Mr. Honderich: You need the knowledge of your tools, yes.

Senator Prowse: When you get a man that you feel has this basic education, what personal characteristics do you look for in that man?

Mr. Honderich: Well, my bias is going to show here now. I look for inquisitiveness, some healthy skepticism. I like somebody with a keen social conscience, somebody that is concerned about the society in which he lives and wants to do something about it.

Senator Prowse: Now, when you come to promote a man from being a reporter—after he has proven himself—for what reason would you fire him? What faults would he have—I do not mean the obvious things like theft and drunkenness and this type of thing.

Mr. Honderich: My greatest concern is—one of my great concerns as a publisher is accuracy. If this reporter was accident prone with his facts, this would be a reason. If I felt or the situation was drawn to my attention that a reporter had deliberately omitted certain relevant facts, that he was aware of, for some reason . . .

Senator Prowse: Intellectually dishonest.

Mr. Honderich: Yes. I would sever the relationship. If I found that a reporter was

accepting payments of any kind, either for work performed or not performed, from someone he was writing about, this would be a cause—someone who really failed to perform an honest job for the public, and again we are journalizing in an area where it is most dangerous.

Senator Prowse: Well, the reason I am asking you this question is that we have been asking people pretty general questions and we have been getting pretty general answers. Yesterday we came in for some fairly specific criticism which I must assume is justified, otherwise it would not be made.

What I am trying to do is correct a situation.

There is nobody on this committee who has the knowledge to set up criteria. We can only collect the evidence by which we can judge.

Now, my own idea here is that I have in front of me three people who are at least as well qualified to give the criteria as anybody in Canada.

Mr. Honderich: Well, Senator, if I may I would just like to suggest that both Mr. Newman and Mr. Goodman should comment on that.

Senator Prowse: Yes.

Mr. Honderich: Before doing so, I would like to say you have associated with your committee one of the most knowledgeable and responsible newspaper people in the country—Borden Spears.

Senator Prowse: We also like a variety of voices.

The Chairman: Mr. Newman first.

Mr. Newman: Well, I have a very brief comment because I subscribe to everything Mr. Honderich has said. I would only like to add there is a kind of an ideological compatibility which I think is a criterion at the start. We are, as you know, a very nationalistic newspaper. We believe we were nationalistic before vis-a-vis Britain, now we are nationalistic with the United States. And certainly in hiring editorial writers I look for people who are compatible in this area.

I also look for people who have a very strong reform-minded kind of approach to things. By that I do not mean radicals, but I do mean people who are, small "l", liberals and who believe in the evolution of a better

society so that there is a kind of ideology content as well as the criteria that Mr. Honderich mentioned.

Mr. Goodman: One of the points I would start out from—I suppose I am in a kind of technical area. The staff of a newspaper as it operates day by day is very much, in my analogy, like a football team. It is a team effort. It is a lot of people; a lot of different skills are needed, so that when we go out to recruit we are very much in the nature of a team that knows we need something here.

In other words, when we look for a labour reporter where we had a gap for a couple of years—we did not feel our labour coverage was what it should be. That man's knowledge of labour became very important.

What does he know about the background of the movement? Can he spot trends? In other words, in addition or going further, from what Mr. Honderich just said, after apprising ourselves of the basic element, we need somebody who is a particular specialist and then we start to examine further the knowledge that the man has in those areas.

Additionally, we have tried to give people knowledge, to impart to people knowledge that we think they will require. We are trying very hard to find ways to make specialists and to give people the ability to carry out interpretive and other kinds of specialized reporting, about which you have heard great deal, as being necessary in the production.

There were certain basic characteristics in terms of inquisitiveness that are certainly required. There are also technical skills that are required.

If a man has all these things and cannot write with clarity, that man is really not much use to a newspaper that is going to communicate in writing.

There were some people we have had who have been intellectually stimulating, a very good background, but who just cannot write and it is very difficult to find jobs for them in newspapers in terms of an editorial department if they just do not have these background skills.

I think Mr. Spears is exceptionally well qualified to tell you this. He hired me.

Senator Prowse: Do not pass the buck.

Mr. Goodman: It is a mutual admiration society.

Senator Prowse: I think he has done very well.

Mr. Goodman: I just wanted to get that point across.

We also have another difficulty, quite frankly, that we can tell you sometimes in terms of judging people—I have found this myself—being a very good or experienced political or economical reporter does not always mean that one is a good personnel expert.

What we have tried to do is set down on a piece of paper—which I did not bring with me—but which is “What are the reporter’s skills?” What are we looking for? He is a good reporter. What do I mean?

We have tried to define these skills that people have and we rank, for example, all the people on our summer program, our summer raining program.

The Chairman: We would be grateful if you would do that.

Senator Prowse: The point is this: when you talk of freedom of the press, we get a different explanation from everybody that comes here. The impression you get is that everybody is trying to write out his own essay that will be a little better than somebody else’s. I am not sure basically that once you get under the semantics there is that much difference.

Would you say in the setting up a criteria that each paper would have to have its own criteria but first of all they would have to outline to satisfy themselves as to what their own philosophy or their mandate of publishing was; and the criteria would then flow from that.

Mr. Goodman: Yes.

Senator Prowse: Would this be a fair assumption?

Mr. Goodman: I would think so.

Senator Prowse: So we may have several sets of criteria or the average chain or group; they like to be called would perhaps have different ones.

Now, editors and technical people—Do we have to set down a criteria for these people, aside from honesty and technical capacity.

Mr. Honderich: I think you have touched on another good point. A man is hired as a reporter basically because he can write and

then he does a good job as a reporter. He becomes an editor. Not all reporters are good editors, so you need a different set of criteria there. You need a different set of criteria for each level you go to.

Senator Prowse: A man can be elected because he can talk and then you find out he cannot administer.

Let us take one more then and this is my final question.

Senator McElman: May I have a supplementary here?

The Chairman: Do you want to hear Senator Prowse’s final point?

Senator McElman: You are going to a new point, are you?

Senator Prowse: I am going to a new point.

The Chairman: All right, Senator McElman.

Senator McElman: Once you have established a criteria and have what you consider a really promising reporter developing, then looking to your special field of which you spoke, do you consider it useful to give paid sabbaticals so you can get those people out into the area concerned for specialist training?

Mr. Goodman: We have not at the moment a policy of sabbaticals as such. We have discussed whether we can implement it. We have encouraged our reporters wherever possible to make use of available programs of this nature, which effectively removes them from the profession for a year to sit back and look.

I personally was most fortunate in this respect of having been a Nieman fellow from Canada.

The problem is that there are effectively very few programs of this nature here. You have the Southam fellowship, which is four. Virtually everything else is American. There are no more Nieman Fellowships in Canada because no one will pick up the program.

There is Stanford University which has a type of fellowship on which we just have a reporter going on now. We make use of them, I think, more than any other paper. But the availability of it is very limited. One of the things we have been discussing in terms of all our training is perhaps that this is exactly the kind of thing we are going to have to embark on—take up the university idea that every three or four years a person is going to have

to go back and immerse himself and be up to date in what is the state of his particular specialty after four years change.

Senator McElman: In the absence of such fellowships do you believe there is a special responsibility on industry itself to fill this vacuum?

Mr. Honderich: Yes, I am not sure as to the best means of doing it. We are going to require more and more specialists. I am not sure that we are going to get specialists Niemans Fellows, as much as I admire this course.

I think perhaps we may have to get specialists in a different way, by perhaps arranging that writers spend some time in industry, or government operation, so they can develop intimate knowledge of the field.

We do not have sufficient intimate knowledge in certain areas. I think this can only be acquired by having people involve themselves in that period of time.

Senator McElman: Do you think that the industry indicates at the moment, that it would be prepared to financially underwrite a development program of this nature.

Mr. Honderich: I can only speak for the *Star*. We are prepared to do what we feel is necessary, to achieve the degree of proficiency in specialist areas that we require.

Senator McElman: In other words, you feel a sense of responsibility.

Mr. Honderich: Very much so.

Senator McElman: Up to this point there is no constructive program along these lines.

Senator Prowse: I will just follow that comment, if I may.

Might something be done in this regard, keeping in mind the need of some more newspapers, and less wealthy newspapers, for the same kind of assistance, similar to the Canada Council Grants in this area, or would you be afraid that anything that the government might do would jeopardize the freedom of the press, or the independence of the press.

Mr. Honderich: Well, Senator, Mr. Goodman, who was a very good administrator, in addition to being a very good managing editor, is aware of certain grants made available by the government now, for training purposes, and we avail ourselves of these grants, and they are used, are they not, as part in our summer training program, so I do not see any conflict here at all.

Senator Prowse: So there is some assistance available to the smaller newspaper who is having difficulty now, if they want to use it?

Mr. Honderich: Yes, but the problem is an industry problem. There is a growing need in the newspaper industry, for good copy editors now.

A copy man who takes a reporter's story after it has been checked by the city editor and the managing editor and checks it finally for spelling, and so on and so forth.

You cannot publish a newspaper without them and yet there is a dearth of good copy editors in Canada. If we could act as a profession what we would really do is establish a training program for copy editors and not only for the *Toronto Star* but for all newspapers, encouraging people into this field but who seem to be handicapped in acting as an industry.

Senator Prowse: The industry has some reluctance to get together and act as an industry. Are the individual members afraid somebody might benefit from what he did.

Mr. Honderich: No, I think it is a two-edged sword. When I wore my hat as the present I was worried about the fact I might say something differently. The fact of the matter is that if you bring someone up to the level of confidence, a good copy editor, he is worth \$50 or \$100 more to you than he was before.

Senator Prowse: The evidence we have is that, for a variety of reasons which we do not have to repeat, there will probably be a greater concentration of ownership of newspapers in either present groups or additional groups in the future.

In other words the owner-publisher looks like he is apt to become as rare as a woodpecker. With this and the possibility of the views which you have stated, can you suggest to us any device which we might recommend as a means of ensuring the independence of the editorial news sections of the various newspapers that are going to be gobbled up in this way.

Mr. Honderich: Well, Senator...

Senator Prowse: This will apply to other media.

Mr. Honderich: I would hope first of all your basic assumption is not correct.

Senator Prowse: I would hope it is not too

Mr. Honderich: And that appropriate action is taken to prevent not only this happening but perhaps to redress situations in which the public are presently being denied free discussion.

I think in fairness that you should be entitled to hear two opinions and I will give the opinion of the publisher and Mr. Newman can give you the opinion of the editor.

I believe in giving our editorial departments maximum freedom but there remains the constraint that I must exercise having regard for the overall well-being of the company and I feel that this judgment is essential and needs to be available to the editors in some of the decision-making processes and that if you take that away then perhaps there will be less responsibility in the news columns than there is today.

One of the things that I find about many reporters and editors who do a first class job—in the area—for example, involving libel. They would be more inclined to take risks than I as a publisher would not take.

When I say “take risks” I think that they will be sometimes prepared to publish stories which, in my opinion, they can not support in court of law and I think this is the test. They would argue this is in the public interest. I think that this constraint is very necessary in the decision-making process. Over the years a publisher, if he has any merit at all, requires a pretty general knowledge of public affairs and I think his background is useful gain in the editing process.

I saw in our paper recently an article from Washington which said that the United States was going to permit subsidiaries in Canada to trade with Free China. This passed all our editors. Yet it did not make sense to me because it really meant in effect that if they were going to do this that the American Companies could set up branch plants in Canada. I get around what is called the “Trading with the Enemy Act” so it was only the publisher’s insistence here... Mr. Goodman happened to be away at the time or he would have caught it... it was only the publisher’s insistence that he be sent back to Washington for checking and finally it came out differently.

This is not what was going to happen. They were changing one regulation but there was nothing else that still amounted to the same thing. I think the publisher acquires a broad background which I think can play a useful role if the publisher himself takes an active part in the newspaper.

Before I ask Mr. Goodman to comment on this I would like to say, I, as a publisher, have been disturbed by some of the suggestions made before this Committee that publishers exercise this power in an arbitrary manner in a denial of what I would call freedom of the press.

I would like to say I think these are very, very rare incidents. I cannot cite one incident in which I know this to have happened and this brings me the testimony that was made here yesterday by the gentleman from the University of Western Ontario.

The Chairman: Two days ago, I think.

Mr. Honderich: Speaking about the so-called Dickins incident.

I am not thoroughly familiar with the fact but I think from a publisher’s point of view, I understand that Mr. Dickins in fact was counselling young people to join a demonstration which had as its purpose the blocking of a public highway, in other words violation of the law.

The Chairman: An international bridge.

Mr. Honderich: Now, as a publisher I think a newspaper has a responsibility to uphold the law. If the law is wrong, change it. I would not permit anyone on the paper to counsel anyone to break the law.

I think this is what happened in London and I think that some of the remarks which have been made here have been very unfortunate and unfair because Mr. Blackburn is a man of integrity. I disagree with him on many things, particularly the ownership of a newspaper, a radio station and a television station, but I would have taken the same approach he took there and yet I feel quite sure that we have people on our staff today who feel it is proper for a newspaper to counsel someone to break the law because the law is bad.

Now, if you were to separate the overall responsibility for the financial operation of a newspaper from the editorial function, in my experience, you would be losing a lot.

Senator Prowse: In other words you would not accept the Figaro type of thing where the news editors themselves take over the running of the paper and have responsibility only to themselves, subject to the ability of the paper to survive under their directorship.

Mr. Honderich: When you say “subject to the ability of the paper to survive”, you are saying a lot of things. You can only operate a

newspaper provided you have the financial wherewithall to do it and if the group editors do not have financial responsibility and follow courses which result in the demise of the paper, you will have lost everything.

I think great responsibility comes from having to balance your accounts at the end of the year and I would like to say again that the publication of a newspaper is something like a public trust. You have, you know, to provide profits. Profits are essential and while some of this profit motive must be secondary to the dissemination of full and frank discussion of the information and opinion... this is sort of a contradiction and how one approaches it.

Senator Prowse: But you have to live with it, do you not?

Mr. Honderich: And how one approaches it really determines what kind of papers survives and goes on.

The Chairman: I think Mr. Newman was going to say something.

Mr. Newman: Well, I would like to land somewhere in between Mr. Honderich and the Figaro experience. I do think there should be some measure of internal democratization in newspapers. I do not think that the editorial department should run a newspaper because I think the man who owns the printing press has to have the final word but I think that there could be established something like your advisory editorial committees which would consist of editorial department people who would meet with the publisher, so that at least the publisher knows as an articulate example what the editorial department thinks, and I think this should be part of the decision-making process.

Senator Prowse: In the main there are two things here. One, as I understand Mr. Honderich to say, is that the owner can not escape really his responsibility as a publisher. There is no way out of it whether the owner is a corporation or whether it is an individual and the corporation must have somebody to finally make decisions "Yes" or "No". This is one factor.

The other is that we have the need that there should be some authority to weigh public responsibility and the necessity for standing consultation and so there would be balance; there has to be a great deal of independence in the hands of the editorial news end of it.

Is there any formula by which this can be worked out? For example Southam has suggested they give their people complete independence and that they take care of that when they select a publisher.

Mr. Honderich: Senator, I do not want to oversell a Press Council but I think a very effective Press Council can achieve public involvement in what a newspaper does.

If you have a Press Council in Ontario with a chairman who has the eminence of Lord Denning in England and it takes its responsibility seriously and with good public representatives and there is any discussion about these problems of what newspaper should be doing, particularly newspaper where there is only one in a town, I think you will start to generate public pressures that will reflect themselves in the newspapers including the *Star*.

Senator Sparrow: You operate two dailies and 13 or 14 weeklies. Would you have figures of how many of the subscribers to your weeklies take the dailies? How many of your subscribers would take both your newspaper or at least the daily newspaper as well as the weekend newspaper?

Mr. Honderich: I do not have these figures on the overlap.

Senator Sparrow: Would there be figures available on the overlap?

Mr. Honderich: I do not think those figures are available.

Senator Sparrow: Would you give us your opinion then as to whether normally people in a market such as you serve would in fact take a daily newspaper as well as a weekly?

Mr. Honderich: Well, there are approximately 32 weekly newspapers within the Metropolitan Toronto area. The weekly newspapers, with which we are associated either part owner or majority owner, have a total distribution of 200,000.

Now, this distribution is also in the area where the *Star* is the leading daily newspaper.

Senator Sparrow: I asked you this question because a great many people in Canada in great many areas are not serviced by daily newspapers and must rely on the weeklies.

Mr. Honderich: This is not so in the Toronto market.

Senator Sparrow: No. I was wondering whether the average person who was restricted to a weekly newspaper, if there were a daily available if, in fact, he would purchase it but you cannot answer that question.

One other question that interested me would be Rhodesia, as an example, how do you get your news from Rhodesia?

Mr. Honderich: At the moment we depend upon services. If a situation develops in Rhodesia that is of interest to us, we would probably send either Bob Reguly out from Rome or Val Sears from London.

Senator Sparrow: You mentioned earlier about either "contract" or "contact" reporters.

Mr. Honderich: We probably have people in Nigeria, for example, or whatever the country is, who contribute articles to us occasionally or who we can ask to write articles but these would not necessarily be Canadians.

Senator Sparrow: Would you have sources in Rhodesia that would get reports both from the black and white community in those areas?

Mr. Honderich: No. I think we would be pretty hard pressed to get it from the black without sending someone there ourselves, as we have done.

Senator Sparrow: It would be very difficult then to actually get a true picture of the conditions in Rhodesia, as such?

Mr. Honderich: Well, I am not aware at the moment of the freedom of movement that is allowed in Rhodesia but our attempts to get stories of the black people in South Africa have been very difficult and Norm Phillips, our late Ottawa editor, just about lost his life trying to get the story of the black people in South Africa.

The Chairman: Mr. Honderich, I would like to read a quote from an article by Dennis Morton in the Canadian Forum.

It says:

"It does not matter whether the *North Bay Nugget* belongs to Roy Thomson, Max Bell or the local drygoods merchant. They are all, without a single exception, in the same kind of hands. They all belong to the Canadian business community and they all do what that community wants."

Do you agree with that statement in regard to newspaper publishers?

Mr. Honderich: Well, I can give you your answer again but it would not be of much value. This is a broad generalization. I said in my brief that the tendency of chain ownership was to reflect the establishment point of view. Business is certainly one of the establishments.

The Chairman: Why is it no daily newspaper in Canada has ever, to my knowledge, supported the NDP at election time? More specifically, why is it that the *Toronto Star*, so our NDP friends tell us, support the NDP except at election time when it supports the Liberal Party.

Mr. Honderich: When you say "support the NDP—"...

The Chairman: Advocate the election of a NDP Government.

Mr. Honderich: The *Toronto Star* does not advocate the election of a NDP Government within elections. I think the problem here is that the CCF-NDP is rather a Johnny-Come-Lately to the idea of social welfare in this country.

The *Toronto Star* back in 1892 published its first editorial when we did advocate free hospitalization for people with tuberculosis; and long before the NDP was developed, the *Toronto Star* was carrying on an active campaign for many of the social welfare measures which now exist, including minimum wage laws, mothers' allowances and things of that kind.

Now, for example, we agree with the NDP on many social welfare matters but that doesn't necessarily mean that we regard the NDP as the best means of achieving these ends.

I think that is the distinction. We agree with them on many of their programs. We do not necessarily believe that they are the best means of achieving this end.

There is nothing to prevent the *Toronto Star* some time in the future supporting an NDP Government. Indeed, if we thought the NDP Party provided the people with an effective alternative to government, we would have no hesitation in supporting them.

The Chairman: I asked the question because from time to time in your Letters to the Editor Column, you see letters from outraged NDP'ers saying you support us but when the chips are down you do not.

Did you want to add a comment, Mr. Newman?

Mr. Newman: Yes. I think our criterion is not political parties but issues. We do not regard a public newspaper as an exercise in ideological purity. We try to back the party that we feel is most capable of implementing the issues we stand for but historically we have supported the NDP and Conservatives. In 1908 to 1918 we supported the Conservatives in Ontario because they were nationalizing the power industry.

The Chairman: I did not ask about the Conservatives. You supported them in a Provincial election quite recently. I am asking about the NDP.

Mr. Newman: Well, the NDP; in 1919 to 1923 we supported the Drury Farm Labour Movement, which was one of the predecessors of the CCF.

In 1945 we endorsed E. B. Jolliffe when he was running as leader of the CCF in Ontario.

In 1969 which is last year, we supported the NDP in Manitoba and British Columbia.

The Chairman: Well now, really. I have often wondered why Mr. Schreyer was successful. Now I know.

Mr. Newman: One of the first things I did when I became editor was to change the label in the annual publications which list the political affiliations of the paper.

We had always been listed as "Independent Liberal" or a large "L" Liberal, which was changed to "independent."

I think if I could sum up the ideology in one sentence it would be that the test in the future is between revolutionary ideology and evolutionary tide of human energy, working for the gradual transformation of society and it is this tide we support.

The Chairman: Mr. Honderich, in the same area: does organized labour get a fair break when it comes to news coverage?

I ask you that not just from the *Star* but from the newspaper across the country, to the best of your knowledge. The CLC presented a brief in which they argued they did not.

Mr. Honderich: As I am sure you know, labour is one of the establishments which I think has access to the press.

Senator Prowse: May I ask a supplementary question?

The Chairman: Yes.

Senator Prowse: Am I correct in assuming that what you said in answer to Senator Davey's question was that the *Star* had its own policies and every once in a while the NDP finds itself agreeing with the *Star*?

Mr. Honderich: That is the way I put it.

Senator Prowse: That is what I thought.

The Chairman: Incidentally I would say to the Senators we will sit until 1.30. Can you stay until 1.30?

Mr. Honderich: Yes, sir.

The Chairman: I have first Senator McElman and then Mr....

Senator McElman: I just wanted to get back to one we dropped earlier.

This situation where the media are becoming an element of the opposition to government, I think we have pretty well agreed that the critical commentary and so on emanate largely from the print media, the daily newspapers; and I take it you advocate that radio and television, even although it may require broadening of the guidelines of the CRTC should get into this role as well, not that you should diminish but they should come up.

Would you think in our system if the develop two proposals of critical interpretation that the reporting and editorializing might take on such weight that any government would find it very difficult to survive beyond one term?

Mr. Honderich: No, not if you ensure there are many voices in the field of communication.

Let us look at Toronto. You have three strong daily newspapers each one reflecting somewhat different point of view.

In addition to that you have eight or radio stations. I know the owners of many those stations. I know they have different shades of opinion to mine so, so long as you have many voices working in the field of communication I would not be concerned, but if you had a concentration I think there might be a problem.

Senator McElman: You have suspected what my second question would be. With the trend of this development and if something is not done to stop that trend of concentration and multi-media ownerships and so on, they were not halted in some fashion, would there be a danger?

Mr. Honderich: I think there is always a danger in concentration of power.

Senator McElman: Do you feel the danger would, say, give rise in this area?

Mr. Honderich: Well, in the specific area you are concerned with...

Senator McElman: Well, the specific area I raised, yes.

Mr. Honderich: Yes. I think there is a danger in concentration but whether even without concentration you would have all the outlets turning against one government or one party, I do not know.

Senator McElman: Thank you.

Mr. Fortier: I am tempted to ask a question at this stage. You give your reason in your brief as to why you have acquired weeklies in the Toronto area. How do you reconcile the actual fact of acquisition with your view of the potential danger of group ownership?

Mr. Honderich: Well, I think our function in Toronto as a publishing company is to provide people of the community with a service. We have a situation where the population has developed in suburban areas and are no longer in the downtown central core.

What we are doing here is protecting the future of the paper—it is as simple as that—we will have a base for future operations.

Mr. Fortier: You do not feel there is any valid comparison for what you are doing here and the expansion or increase in the concentration of newspapers within groups.

Mr. Honderich: No, because let us assume that instead of having weekly newspapers at the circulation of the *Star* was 100,000 higher per day. Would it be wrong for the *Star* to have a circulation of 500,000 rather than 400,000? I say "no".

In addition to this—I do not put this forward as an argument because I have effective power of control—in many of these weekly newspaper operations, we have local partners who have a capital investment—some of them as much as 50 per cent—and I think this helps to contribute to a healthy situation.

Mr. Fortier: You make a very strong case for local ownership of the news media.

Mr. Honderich: Yes.

Mr. Fortier: How do you explain the fact that a year or so ago you applied for a UHF licence in partnership with Infocor which is a Montreal based company?

Mr. Honderich: I think you must go back to 1959 when the first television application was heard in Toronto.

In that application we said we would make an application to protect our competitive position. We did not think newspapers should be involved in broadcasting because of the concentration of outlets at that time and we were prepared to withdraw our application if this point of view would prevail.

We said too if the BBG of those days awarded a licence to one of the newspapers, it was going to upset the competitive relationship and I think the inference there was the other newspapers would have to think in terms of trying to get into this area to protect their competitive position. So it is on those grounds.

Mr. Fortier: I still do not understand why you went to Montreal when you looked for a partner rather than looking for a partner in Toronto.

I am all for Toronto people looking for resources and knowhow in Montreal.

Mr. Honderich: I think in looking for a partner, we were trying to find someone with views similar to our own. We went to an independent newspaper.

Mr. Fortier: I see, that is the reason.

Mr. Honderich: If the present policy of multi-media ownership is to continue, then for competitive reasons, independent reasons, we will have to get into this area.

If we are going to remain competitive it is essential we do so with people who have ideas which are compatible with ours otherwise...

Mr. Fortier: Would you wish to see this working in reverse? In other words, would you at the *Toronto Star* like to be involved in some form of electronic news media in Montreal?

Mr. Honderich: If we had the money to do so and we had partners who were compatible, yes. I think we could contribute something.

Mr. Fortier: What is the nature of your relationship with Infocor?

Mr. Honderich: We have no direct relationship with Infocor except the very infrequent relationship that exists between Southstar Publishers and the Montreal Standard Publishing Company in respect to *Weekend* and *Canadian Magazines* and the people in Infocor were involved at one point in some of the discussions but there is no direct *Star* relationship with Infocor.

Mr. Fortier: No share participation?

Mr. Honderich: No.

Mr. Fortier: I have many subsidiary questions but because of the time I will switch to another point.

Do you feel the *Star*, as a publisher of the largest newspaper in Canada published in the City of Toronto, has a particular role to play in explaining the Quebec situation to your readers; and if so, what do you do towards that end?

Mr. Honderich: We feel that we have a responsibility to report to our readers the significant developments in the Province of Quebec and to do this we maintain in Quebec two correspondents, one in Montreal and the other in Quebec City.

Mr. Fortier: I notice in your brief that insofar as basic principles are concerned at the *Toronto Star*, at No. 13, you speak of:

"Defence of the rights and dignities of racial and other minorities,"

and another one,

"staunch advocacy of Canada's Nationhood against all influences, external and internal, which tend to limit or undermine it."

My first question is: do you consider the French Canadian to be one of the minorities whereof you speak over here?

Mr. Honderich: I think in the past as far as the communications media is concerned, they have been a minority and I think that the media in Canada, and particularly the press, was very late in realizing that there were certain problems in Quebec that had to do with our nationhood and should have been brought to the attention of the Canadian people.

Latterly I think that they have ceased to be a minority in the media because we have improved our coverage and I think there is some acceptance for their point of view.

Mr. Fortier: In view of this perhaps I may direct one last question to Mr. Newman.

In the brief, which was read this morning, it was stated that "Development of advertising acceptability standards should go well beyond any local requirement and serve as a model for our industry".

Can you elaborate on this, Mr. Newman?

Mr. Newman: May I speak, Mr. Fortier and Mr. Chairman for about five minutes on the experience of the *Star*.

The standards of practice have been going for a long time before I was associated with them and it is constantly revised and is being continually revised. To my knowledge I doubt if the ICA or anybody else had a standard of practice.

The ICA have one now, their guide to ethics and practice.

I think the *Star* through Mr. Atkinson and Mr. Campbell found what they would take and would not take; we have turned down a awful lot of advertising that sometimes is published.

Mr. Fortier: This has happened quite often?

Mr. Bannerman: Quite frequently.

Mr. Turner: I have a file of this. They do get through occasionally. They may mislead them. Mr. Newman can catch them. To my knowledge though we make large publishers draw this to our attention.

Mr. Bannerman: We believe it is equally important to avoid inaccuracy and forms of misleading statements in our advertising columns as in our news columns and if the document—I see you have one in front of you—has been developed over many years and is the result of a great deal of experience in measuring the believability, fairness and credibility of advertising as it was being directed to the—shall we say—ordinary reader whom we feel should not have an approach advertising with a slide rule. I should be able to understand it. It should not mislead from something it says to something it does not say.

Mr. Fortier: How far do you go in verifying the advocacy or accuracy of a representation?

Mr. Turner: As far as is necessary but specifically the requirements in the...

Mr. Bannerman: I have no legal opinions, I think it is covered on the page. If you went to the last paragraph it says:

"When the public places confidence in a certain media, this confidence embraces the advertising in it. Therefore it is of the utmost importance of the advertising acceptability standards set forth in this manual be strictly followed."

This is distributed to all agencies and national advertisers and it applies to classified too.

Mr. Fortier: Can you supply us with the particulars?

Mr. Bannerman: Yes, we will leave some copies.

Mr. Turner: For instance, to give you an example. Let us say a new drug product comes on the market. We will refer the initial advertisement to the Deputy or to a division of the Department of National Health and Welfare for an opinion. We will not carry the advertisement until we get at least their opinion to satisfy ourselves it is in the best interest of the reader and the public.

I would like to make another significant point if I may. A lot of our time is taken up with censoring. That is they have to be approved by the Ontario Censor Board. This is one of the areas on censorship we take on.

Mr. Fortier: I would be very interested in getting this.

The Chairman: I am sure you would, Mr. Fortier, however I must say I promised some of the senators whom I know have appointments . .

Mr. Fortier: Just one last question.

The Chairman: Do you have one last question? This is literally the last question.

Mr. Fortier: I will direct it to Mr. Turner and this is picked up from Senator McElman. On page 4 of the *Star* yesterday just out of curiosity—we find this advertisement, and I note

THE FACTS
OVER 30,000 MENS' MADE-TO-MEASURE
SUITS AND
READY-MADE OVERCOATS WERE SOLD
DURING 1969
792 PEOPLE DID NOT SHOW UP
TO SEE ANY OF THE 792 GARMENTS
AND SAVE 39% OFF BEN BERKE'S
FORMER \$66 PRICE
FINAL 3 DAYS
\$39.95

BEN BERKE

DOWNTOWN TORONTO: 272 YONGE
STREET

Did you verify the exactness of these statements?

Mr. Bannerman: We have done business with the Ben Berke organization for a number of years and they have never given us any reason to doubt the accuracy of any of their advertising statements. We therefore did not actually check the statement in the advertisement in question but accepted it at face value based on previous experience with the Ben Berke people.

Mr. Fortier: I won't push my luck and try another.

The Chairman: I will say to you and the Honourable Senators and ladies and gentlemen, Mr. Honderich, we are grateful to you for having come here this morning. I may say I think it is an indication of our interest of the senators that are here. I sent a note around saying we were going to stay and one of them said he could only stay until 1.30.

I am always anxious that you will understand that although we may not have asked questions on every significant and special section of your brief, nevertheless what you have said and what is contained in your brief will be studied and will be considered seriously before we ultimately come to the preparation of our report.

Meanwhile your oral testimony is a criteria of your overall knowledge which I think we at least are beginning to acquire and so perhaps you will accept our thanks which we express to you and the other people in your contingent.

I would say to the senators the next meeting of the Committee is next Friday morning at 10 o'clock at 140 Wellington Street.

I would also say that the next public meeting of the Committee is at 10 a.m., Tuesday February the 10th. That is a week from next Tuesday, at which time, as you know, we will have a round table discussion with the University Student Editors whom we hope will give us their comments on the Student Press and indeed on the media generally in Canada.

Thank you.

The Committee adjourned.



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 17

TUESDAY, FEBRUARY 10, 1970

WITNESSES:

Canadian University Press: Mr. Allan Saxe, President; Mr. Ron Thompson, Vice-President; Mr. George Russell, Bureau Chief. Mr. David Chenoweth, Managing Editor, *McGill Daily*, McGill University; Mr. David Scott, Editor, *The Gazette*, University of Western Ontario; Mr. Mike Smith, Editor, *The Journal*, St. Mary's University; Mr. Allan Scarth, Editor, *The Gateway*, University of Alberta; Mr. Lawrence Jones, Assistant Director of Information Services, University of Toronto; Mr. André Villeneuve, Editor, *Au Fil des Événements*, Université Laval; Mr. Harry Thomas, Editor, *McGill Reporter*, McGill University.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien	Langlois	Phillips (<i>Prince</i>)
Bourque	Macdonald	Prowse
Davey	(<i>Cape Breton</i>)	Quart
Everett	McElman	Smith
Hays	Petten	Sparrow
		Welch.

(15 members)

Quorum 5

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

"With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—

Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative."

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

"With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative."

Robert Fortier,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

TUESDAY, February 10, 1970.
(17)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (*Chairman*), Beaubien, Hays, Macdonald (*Cape Breton*), Petten and Smith. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Miss Nicola Kendall, Research Director; Mrs. Barbara Sullivan, Researcher; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. Allan Saxe, President, Canadian University Press;

Mr. Ron Thompson, Vice-president, Canadian University Press;

Mr. George Russell, Bureau Chief, Canadian University Press;

Mr. David Chenoweth, Managing Editor, *McGill Daily*, McGill University;

Mr. David Scott, Editor, *The Gazette*, University of Western Ontario;

Mr. Mike Smith, Editor, *The Journal*, St. Mary's University, Halifax, Nova Scotia;

Mr. Allan Scarth, Editor, *The Gateway*, University of Alberta;

Mr. Lawrence Jones, Assistant Director of Information Services, University of Toronto;

Mr. André Villeneuve, Editor, *Au Fil des Événements*, Laval University;

Mr. Harry Thomas, Editor, *McGill Reporter*, McGill University.

At 1.00 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (*Chairman*), Beaubien, Hays, Macdonald (*Cape Breton*), Petten, Quart and Smith. (7)

In attendance: Miss Marianne Barrie, Director and Administrator; Mrs. Barbara Sullivan, Researcher; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. Allan Saxe, President, Canadian University Press;

Mr. Ron Thompson, Vice-president, Canadian University Press;

Mr. George Russell, Bureau Chief, Canadian University Press;

Mr. David Chenoweth, Managing Editor, *McGill Daily*, McGill University;

Mr. David Scott, Editor, *The Gazette*, University of Western Ontario;

Mr. Mike Smith, Editor, *The Journal*, St. Mary's University, Halifax, Nova Scotia;

Mr. Allan Scarth, Editor, *The Gateway*, University of Alberta;

Mr. Lawrence Jones, Assistant Director of Information Services, University of Toronto;

Mr. André Villeneuve, Editor, *Au Fil des Événements*, Laval University;

Mr. Harry Thomas, Editor, *McGill Reporter*, McGill University.

At 5.40 p.m. the Committee adjourned to Wednesday, February 11, 1970, at 10.00 a.m.

ATTEST:

Denis Bouffard,
Clerk of the Committee.

THE SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Tuesday, February 10, 1970

The Special Senate Committee on Mass Media met this day at 10.00 a.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable Senators, ladies and gentlemen. I apologize for the delay. I have a set of introductory notes here somewhere which I will struggle through to the best of my ability.

We are going to turn our attention this morning to the university press or perhaps more accurately the student press. Hopefully we can examine its size, scope, dimension and impact.

Our guests today are a group of people, whose numbers I have not counted, but who play varying roles in the university or student press community.

I should make it clear at the outset although they are not representing a student press community as such, they are not here as delegates or representatives of that community, but rather on an individual basis; I think it is fair to say that they do represent a cross section of the student press in Canada. These people and others like them have cooperated with Mrs. Barbara Sullivan in preparing a background research paper on the student press in Canada. Ultimately that document will be made public. Meanwhile, of course, it is available only to the members of the Committee.

Hopefully today we can have a discussion which can complement or augment that document. Indeed some of the views expressed here may change our views on the document which Mrs. Sullivan has prepared for us. Today the witnesses, unlike other witnesses appearing before the Committee, have not been asked to submit a formal written brief. In the sense the publishers of daily newspapers and others were; although we are grateful for one or two informal explanatory documents which we have received from several of the people who are here today.

I think if I could address myself to our guests for a moment that we are really interested today in finding out two things: the first, as I have mentioned, is your comments about the student press in Canada, and then secondly and as well, and I think equally important, we are interested in having your comments and views on the role and function of the mass media generally in Canada.

I would suggest we might perhaps turn to that part of our discussion after lunch or whatever time seems propitious and I would hope in terms of some kind of organized approach we could deal with the student press this morning and then perhaps turn our attention this afternoon to your views on the mass media.

I do not think that should preclude anybody from expressing views on the mass media generally this morning but, as I say, in terms of a simple basic organization, perhaps it would be more helpful to us, because this is really why we are here today, if we were to deal with the student press this morning and the mass media generally this afternoon.

I do not think you should feel this is a restraint. I think the procedure this morning might be as follows: that after a brief introductory note by me, I will just call on each of our guests for an opening statement and perhaps that opening statement could be as general a description as your views on the role and function of the student press in Canada.

If you want to make particular reference to your own organization or paper, that will be satisfactory, but following the opening statements by each of our guests, we will turn to the Senators.

I hope that we can have this morning, Senators, a relaxed and fairly free flow of exchange of ideas and opinions. I hope all of the Senators will express themselves as freely as I hope our guests will.

If I can perhaps identify people here, as best I can. As a matter of fact, I think I will leave the identification to you because I am

not familiar with all of the members. We can start and go down my right, If that would be useful.

On my immediate right we have Mr. Chenoweth. Just give us your name and the capacity in which you serve the student press community.

Mr. David Chenoweth, Managing Editor, McGill Daily, McGill University: Dave Chenoweth, Managing Editor of *McGill Daily*.

Mr. Lawrence Jones, Assistant Director of Information Services, University of Toronto: Larry Jones, Assistant Director, Department of Information Services, University of Toronto.

Mr. Stewart Saxe, President, Canadian University Press: Stewart Saxe, President, Canadian University Press.

The Chairman: If I may at this point interrupt to say that Mr. Saxe received a formal invitation. Those of you who were here before the meeting began this morning observed Mr. Saxe wanted to sit with his colleagues. We have no objection to that, of course.

Perhaps you could introduce them as well, Mr. Saxe, or they could introduce themselves.

Mr. George Russell, Bureau Chief, Canadian University Press: George Russell, Bureau Chief, Canadian University Press.

Mr. Ronald Thompson, Canadian University Press: Ron Thompson, also with the Canadian University Press.

The Chairman: So we have three people here from the Canadian University Press.

Mr. David Scott, Editor, The Gazette, University of Western Ontario: Dave Scott, Editor of *The Gazette*, University of Western Ontario.

Mr. Michael Smith, Editor, The Journal, St. Mary's University, Halifax: Mike Smith, Editor for *The Journal*.

Mr. Allan Scarth, Editor, The Gateway, University of Alberta: Al Scarth, Editor of *The Gateway*, University of Alberta.

Mr. Harry Thomas, Editor, McGill Reporter, McGill University: Harry Thomas, Editor of the *McGill Reporter*.

The Chairman: We have one more guest who is not at the front but because he will be

speaking in French, we have put him by a microphone for purposes of translation.

Will you identify yourself?

Mr. André Villeneuve, Editor, Au Fil Des Événements, Laval University: André Villeneuve, Editor, *Au Fil des Événements*, Laval University.

The Chairman: Thank you. I think we might now turn to the introductory comments which you may wish to make, perhaps taking hopefully no more than five minutes because we want to discuss a number of matters with you this morning.

If I could have your comments, please, gentlemen, on the role and function of the Student Press; and if you wish to make specific reference to your own publication or your own organization, then that would be helpful. So, before we question each of you, perhaps you can deal with it in turn. So we will start...

Mr. Chenoweth: Might I suggest we could start with the Canadian University Press because they do not represent any newspaper or a locale, but the general press service of the university papers in Canada.

The Chairman: If that is satisfactory with Mr. Saxe, it is fine with me.

Mr. Saxe: Fine.

The Chairman: Go ahead, please.

Mr. Saxe: Is it necessary for anybody to use a microphone?

The Chairman: No. I think we can all hear you.

Mr. Saxe: I am sure that I should probably start with a brief introductory remark of what the Canadian University Press is. The Canadian University Press was probably founded somewhere before World War II—the exact date I do not have, but I would imagine its commencement was somewhere before World War II. We have papers dated from 1938.

The original purpose of the founding was that there would be some annual meeting at which the editors of the Student Press could get together and decide how they could best help each other in exchanges of information of what was happening on the individual campuses.

With the growth of university campuses from the late 1950s and early 1960s, and the accompanying growth of the Student Press in

Canada, the Canadian University Press took on a much larger role. Around 1960 it took on its first professional staff. In 1964 it saw the staff grow to three and in 1965 five full-time people were working out of Ottawa.

Somewhat in the vague resemblance of Canadian Press, the Canadian University Press is a co-operative. We tend to be proud of the fact that we believe in it a little bit more in practice. The exact function of the organization, what it does and how it does it, and who does it are subject to an annual review, in many ways a day-to-day review, by the entire membership.

The full time national officers serve as an executive with a consulting committee available if they tend to make any large changes, and with a set of by-laws which bind them very closely to the membership. If they try to make any additional changes, the membership decides those at the annual conference. The conference takes place usually or regularly not by by-law, around Christmas.

In the same sense that the organization is a co-operative, the national office works as a collective and that is one of the reasons I am not here alone because being here alone, particularly with the title "president" attached, would mystify any forum in which we showed up the content of what we do.

There is no way whatsoever that I can make any individual decisions because that is not the way the Canadian University Press was ever set up to be run or to continue.

This group gives all sorts of things and also allows the kind of things we are trying to do with the Canadian University Press, particularly in view of the fact that in the past we have noticed from C.P. reports at least, that the committee has tended to see certain titled functionaries from the rest of the media. In other words, publishers or editors are the kind of people who usually appear and who talk fairly conveniently about their entire publication or their entire editors; the embodiment of which we decided it was particularly important that we not make the same mistake.

So, instead of my showing up and if not looking as the embodiment of the Canadian University Press at least, being read that way, we decided to bring you the embodiment of the Canadian University Press.

The Canadian University Press cannot in any way speak for its members nor, of course, do we in any way speak for what the students on the university campuses feel. We can make observations on what the members are

doing. When the members ask us, of course, we can represent them in some specific field. We have no mandate to appear before you representing the members in any way, so when we talk we talk as some sort of group staff in the office, very far removed from the people and very far removed from most of its membership.

I think with some apologies to the Senators and the Chairman, I would find it impossible in my remarks to make the division which he suggested at the beginning, that we talk about the student press and maybe later talk about the role and function of the mass media in Canada. As a matter of fact even if I did, I would find it impossible to make that kind of division away from Canada itself.

It seems to me that to talk about the student press divorced from what is happening in its community—and I certainly do not think this community can be limited to the university—or to talk about the mass media primarily divorced from what is happening in this community is to take a very tragic approach. You cannot talk about the manifestations of any problem without knowing what the problem is or the manifestations of any situation without knowing what the situation is.

I would submit to you that the student press is a manifestation of its society and that a particular group in that society intimate but the society as a whole. I would submit further that the entire mass media is a manifestation of a particular type of society. I think that is important, particularly in our being present here and in taking a look at what the Senate Special Committee can possibly be accomplishing and further why, in view of what they can possibly be accomplishing, we should bother showing up here, which certainly represents the majority feeling on our part already, which I have no intention of trying to cover.

The two page set of guidelines, which I presume you have in front of you, were sent out to the University Press. Those guidelines, of course, were designed to apply more to the traditional papers than they were to the co-operative, but I found one question which rather interested me.

It was labelled point eight and this was: "Is there an 'establishment' which controls the mass media in Canada, or any one of the media?" I have a feeling that question has shown up because somebody, drawing up this list of questions, has heard vague rumblings

of "radicalism" in the Student Press, and radicals, of course, "attack" the establishments.

The Chairman: May I just interrupt you, Mr. Saxe? For your own edification that question in the guidelines was sent to every publisher and broadcaster in Canada.

Mr. Saxe: Well, it is nice to know that question is spreading throughout the entire media.

The Chairman: I thought you should know that.

Mr. Saxe: Thank you, sir.

Well, I found other places where the word "establishment" was interesting too.

I would indeed suggest to you, to probably come down bluntly and quickly, that there is indeed an establishment which controls mass media in Canada; that what they control is the total, that it allows for no deviation whatsoever, but that in the understanding of that and what I mean by that—I have a feeling people are going to read something into that that I did not mean—. I do not mean to suggest that there is any establishment which holds regular meetings around a board table anywhere in Canada, at any given set of intervals, to decide what the mass media shall do or shall continue to do and review it without any deviations, which may have come up in the past.

I suggest in fact that the way in which those board meetings take place is at a much more subtle level and a level which stems from the kind of organization which in the entire society we face; that in fact the mass media is part of a society. It is controlled to rule people by class, one particular class, and that class is the particular elite; that in fact we face a transformation of society because of the press, because of the financial costs involved in the press, because of its importance, and that it is completely and totally in the hands of that class.

Now, that is probably where I think one can talk about the role and function of the mass media in Canada. In saying that, I think it is important I say something else. I think that any press is going to be a reflection of the class of society in which it exists, and any mass media is going to be a direct reflection of the kind of society in which it exists. That is why I do not think the two can be talked about in any kind of separate formation whatsoever.

Nor do I suggest therefore, that in fact in any other country or organization in the world that we presently see, that the mass media in that country represents anything but the ruling class in that country. That is going to be true of any country that faces a small elitist ruling class that is going to face a press which talks for it and represents it, otherwise the press is silent. That is the totality of the class.

I would suggest in Canada that may happen in more subtle ways than we may find in some other countries, but the totality is the same and that subtlety is very important because it allows us to see mass models of ourselves. We can convince ourselves that there really is freedom of the press and so when that freedom looks like it might be abused by our society under a set of rules the Senate hold a Special Committee.

I do not think that the formation of any kind of Press Council—so they all, the C.J. can get my remarks on the Press Council like everybody else—it is on the record, if I want it—I do not think that the formation of any kind of Press Council means a thing. The people who sit on the Press Council or the Press Council is going to utilize directly will be the kind of people that society is, the first place. There is nothing changed by the formation of a Press Council.

In many ways, if I could give you a somewhat imperialistic analogy because it comes from the United States: I do not think I can find anything very noble about an all white jury sitting in South Alabama in the trial of a white man for killing a negro. It does not seem to me that there is anything terribly revolutionary about the jury meeting in that case. Now, 100 years after, they might not have even bothered about bringing the jury in; the results seem to be the same.

The Chairman: Mr. Saxe, I hesitate to interrupt you at this point. I said an opening statement of five minutes. You have now been speaking for 12½ minutes. By all means complete your statement.

Is it your intention to have Messrs. Russell and Thompson speak as well?

Mr. Saxe: I do not...

The Chairman: That being so, why do you not take 15 minutes and finish in two and a half minutes, if you can. If you need longer, take it. I do not want to be arbitrary on this thing, but there are a lot of other people

Mr. Saxe: I do think that throughout the remainder of the session, I will have some observations and remarks to make about the student press as someone who has been involved in the Student Press for a long time, and as an observer of the Student Press, and mainly because you paid my way here.

I think the student press offers, as I said in my opening remarks, a somewhat unique possibility. The student press, unlike the so-called professional mass media, or at least large scale mass media—can be captured by a small vociferous minority, usually identified as radicals, much easier than any of the other media can. In this society the only productive press, the only worthwhile press is going to be a press which comes from such a small vociferous minority and that it is in this way that the student press remains unique. The way in which it is run; the way in which its customers are chosen, the way in which controls are imposed over them and the cost involved in printing it lend it to the sort of event happenings which occurs in every part of the mass media; despite claims from some government circles that the C.B.C. has also had that happen to them.

I think then it is in that context that at some point we may want to talk about the student press and what function the student press can have in our society; indeed to what limits can it possibly be a revolutionary press? Obviously, while not varying very much in my words, what I am calling for is some form of revolution.

Before I finish, I caution against—particularly because of the brevity of my words—the possibility that any of these words can be misunderstood and in a particularly narrow frame. By revolution, I am not therefore suggesting that we pick up arms and perform Russian 1917 action in Canada in 1970. The countries are not the same. The results would not be the same and the reasons for the revolution are not the same.

Nor am I suggesting that we call for the control of a small vociferous minority. I suggest one elite simply would be taken over by another elite. I think the constructional way in which that happens and the process in which it is engaged in is crucial, and that it is in fact from that process I suggest the antithesis of that usual process that I have been calling for antithesis, but that process in the first place.

Any control of the press in Canada—in fact any control of the entire society in Canada—in fact the oppression and exploitation of

most of the people in Canada comes from some sort of a ruling elite control—that is, as I say, from around those board tables. Those board tables exist in many ways but it is done through a process; and it is only in looking at that and in looking at the subtleties of that process we can understand exactly why some sort of antithesis is needed.

I think we would like to—and we will try to do that within some sort of time limit—offer at least some series of proof or evidence, if you like, in a very academic sense of what we are trying to say.

The Chairman: Fine.

Mr. Russell: From the things I have heard I will not obviously be given the time and I will not go into them all now. There are other reasons why I cannot go into all of them because looking around I see a number of names, tags or plaques of the Senators supposedly on the Commission, have changed from the names that I was able to get before, which was on the letterhead on the letters we have received.

I just went into this last night. Some of the Senators are not here. At that time it began to appear that maybe the Senate Commission's Senators met over the lunch hour in order to discuss the dealings of an organization called Denison Mines Limited, whose directors include besides J. Wilson Berry, Charles F. W. Burns, F. H. Jowsey, Edward A. Merkle, Louis R. Perini, Anthony Roman and B. E. Willoughby, the Hon. Harry A. Willis, who is written on the letterhead, the Hon. Louis De G. Giguere, who was listed on the letterhead I saw, the Hon. D. Keith Davey, which is also listed on the letterhead I saw, and strangely enough these board rooms seem to make these economic bedfellows of the strangest people, the Hon. George A. Drew.

The Chairman: I would agree with that statement.

Mr. Fortier: Maybe you could point out that it is Denison Mines that convinced the Senate Committee to remove these people from its membership.

The Chairman: I was going to let you finish your statement. I would only point out that if you had received an up-to-date list of the membership of the Committee, you would have realized that neither Senator Willis nor Senator Giguère is on the Committee.

Mr. Russell: I mention Senator Desruisseaux is no longer on the committee.

The Chairman: Senator Desruisseaux is not on the committee.

Mr. Russell: His name was also on the letterhead. His corporate relations went through from...

Mr. Fortier: He is not on the committee.

The Chairman: I do not see too much point in reading his corporate relations. If you want to put them on the record you can, by all means.

I see you have the Financial Post Directory of Directors. Perhaps you can table it and save a great deal of time.

Mr. Russell: If I felt it would have any effect...

The Chairman: I do not want to interrupt you. You carry on. We will be very, very patient.

Mr. Russell: Well, I think the point is made. Anyway, whether or not Senator Desruisseaux is in the room or not.

The Chairman: Senator Desruisseaux is not only not in the room, he is not a member of the Committee.

Mr. Russell: His name at one point appeared on the letterhead as a member of the Committee as late as October 28, by which time the Commission, I believe, had spoken to me.

The Chairman: No. This is wrong. Our first public meetings were on the 9th of December.

Mr. Russell: O.K. We will leave that for now. That would be correct because there are only four or maybe five Senators here now.

Mr. Fortier: Six, Mr. Chairman, so the record will be correct.

The Chairman: Why do you not read my entire list of directorships? For your information, you just have.

Senator Smith: Read mine too.

The Chairman: Why did you not look up Senator Smith's? I will look his up.

Senator Smith: Look up Senator Macdonald as well from Nova Scotia.

Mr. Russell: I would rather not take up that time now. We can analyse them as they become due.

The Chairman: Well, I will be curious to know. Are you a director of any company, Senator Smith?

Senator Smith: No.

The Chairman: And you have read my entire list.

Mr. Russell: I didn't read your whole list.

The Chairman: You did not read Central Hospital.

Mr. Russell: I did not read "Keith Davey Limited".

The Chairman: I am not a director of that.

Mr. Russell: That is the only reason I found this out. You will have to check with the Financial Post.

The Chairman: Does that complete your presentation, Mr. Saxe?

Mr. Saxe: I think probably that is some sort of form.

The Chairman: You made reference to the brevity of your remarks. I hope that throughout the day you will have ample opportunity to expand upon them and so will your colleagues, and if you wish to farm out questions to your colleagues, that is fine with me.

Senator Beaubien: Well, when are we going to be able to ask questions?

The Chairman: Well, Senator Beaubien, I agree that the opening statement was much longer than we had anticipated but this is a organization rather than an individual paper and I think in fairness to the other people who are here, we did say there would be opening statements and I think we should have them.

If I may say for the record if you could confine your statements to five minutes, we would be grateful.

Mr. Scott: For the record, I would be willing to forego my opening five minute statement and have the questioning.

Mr. Chenoweth: Mr. Chairman, since I am not reading from any prepared statement, will be talking off the top of my head. I would just like to point out one thing: In my opening here, I am the only active representative of a college newspaper. This is not an editor-in-chief so my editor has requested me not to say anything I might say is not at all binding on him, so bear that in mind, please.

I actually do not know where to begin. The college press has been an interest of mine for—I have been in it now for five years. It is an area of media I think personally deserves much more support than has been given in North America and Canada, so I am apt to be probably over-wordy on the whole thing.

Actually I would like to confine any comments I may make to the student press, although any comments I may make on the national press, I will leave to questions. I was one of the people that submitted an informal brief and that in itself rambles quite a bit because to give a cohesive picture of the student press in Canada from any point of view, is highly difficult.

There are a couple of points I would like to make and I will probably, in order to make them more adequately, make direct reference to the *McGill Daily* and a little recent history.

I will allow you to draw conclusions. If you want to ask me for my conclusions on this, or if I may challenge you on what your conclusions are later, I would appreciate it.

The *McGill Daily* is right now the oldest college daily in Canada and services a market of some 14,000 students. We have often been, especially over the last three years, I would say one of the most prominent, at times, influences in the student press, for lack of a better term.

This fall the editor of the *McGill Daily* was fired after only three days as editor of the daily on the grounds he had not registered as student. It was interesting. This is the first time that any student body has been successful in firing the student editor at McGill (though in the five years of my attendance at McGill, every year, every single year, there have been major attempts to fire its editor by students).

McGill itself has only made one attempt to discipline the *Daily* and that was over what is now known as the Allnutt-Fekete case, and I am sure McGill highly regretted ever doing it because it created an awful lot of bad publicity.

The reason I make these remarks is to point out a form of agreement with a statement that Mr. Saxe made and that is that the mass media represents the ruling class, or reflects the ruling class. I agree with this in terms of the campus, if you are later on involved with the term "ruling class", that the student press too, often reflects.

A group of students who through their own ambitions, or interests, or inclinations have come to, at least in the public eye, dominate the campus—do not read into this any necessary condemnation of the group,—but we are and we have been for too often a narrow group.

The student press in Canada is also a political thing.

The student press—C.U.P.—the Canadian University Press—I do not think Mr. Saxe would agree with me—formally disclaims the concept of what generally is termed "objective reporting". Nobody can disagree that no man can be totally, totally objective to himself. We all have biases but in the form that this has taken in the student press of Canada, it seems that the student press in Canada has taken upon itself the job of educating the Canadian student.

My personal objection to so much of what is in the student press in Canada—and something which I have, to dramatize a little, fought against, at McGill, is that the student press of Canada is undoubtedly one of the most arrogant groups ever to be seen. Arrogance in itself is never necessarily wrong. The form of arrogance displayed here and the arrogance in deciding to educate the student are such that we, a small group—can control the press because the controls of the student press on the campus are nil. We are undoubtedly the freest press in Canada, the fewest economic controls, the fewest local controls, and actually the fewest social controls in their own environment.

We have captive audiences which is both a boon and a bane because when we are given a captive audience, it must contribute to our upkeep. We do have some responsibility to reflect this group as they desire, not as too many of us, who are active in the student press, want to reflect them or to educate them, or to guide them.

Education by statement of facts and a presentation of different interpretation of facts is one thing. Education by ideology, which seems to have been the hallmark of the student press—of a certain section of the student press in Canada in the last five years at least, is one of the worst perversions of the press ever seen.

This is a blow directed to the student press by a member of the student press.

In my brief I have also stated I do not believe any other organization except the Students' society should ever attempt to disci-

pline the press. In the hands of ideologists the Student Press has been irritating, admittedly, very irritating at times, but it is ineffective.

The student press has a potential beyond most other presses simply because of our freedom but this potential can only be recognized when we are effective and effectiveness, no matter what your political aim, requires moderation and requires taking into consideration your audiences. This consideration most presses are not taking into consideration and therefore it has become ineffective. Concrete proof of this ineffectiveness is hard to give. I can only state from five years experience. I can only state what I know from the new management of the *McGill Daily*.

Whereas last year when the *Daily* was distributed across Canada for free, at five o'clock in the evening you could see thousands of *Daily's* lying there untouched. Our readership has picked up this year immensely. Our advertising has correspondingly increased. And the receipts for us have correspondingly increased.

The very fact the student press in McGill has been nearly destroyed in terms of effectiveness, (we will have to try and rebuild for years), is demonstrated by the fact that in 1964 when McGill raised the fee \$100, the Student Council through the help of the *McGill Daily*, managed to mobilize a massive protest which got a reconsideration of the fee increase. This year we have written a number of articles and editorials upon the fact that McGill University, firstly because of certain educational developments in the Province of Quebec is in the process of totally cutting themselves off from the rest of Canada and the rest of the world. The reaction of the campus has been nil.

We seem to be coming into a period of student apathy where the student is just sick and tired of everything. In my opinion the student press is largely to blame.

We have a very great potential. We have a great role to play. We are the only press in Canada which attempts in any way to investigate university environment. This is a serious condemnation of the Canadian press simply because the university environment is crucial to our society; and what is going on at university.

Whether you agree or disagree or whether you agree with my personal stand or not, whether the university should be changed or not, we at least should examine it. The fact is that the university is only examined basically by the student press and by its own organs

and by nobody else, save when demonstrations or disruptions occur, then we find the creation of stereotypes.

The fact is that we are the only public communications organ dealing with this—my apologies to the university press, which is finally emerging, the *McGill Reporter* is a good example of that—leaves us in a position of great potential importance. Unfortunately it is my opinion that the Canadian university press, not the organization, but the college press in Canada has destroyed itself and has abrogated most of its responsibilities.

In my brief I said, just to cap it off; to quote myself:

"Altogether, the student press has been put (and put itself) in an increasingly difficult position over the last decade. Due to its excessive political nature, it has created a massive credibility gap, both in its own environment and in terms of the general public. This will not be changed until the Student Press grows up and learns that effective reporting and communication requires a greater self-discipline than has yet been evidenced."

This is all I have to say, I have made some wide generalizations, I will probably have to clarify a number of them later.

The Chairman: Thank you, Mr. Chenoweth.

Mr. Chenoweth, as he has mentioned, is the Managing Editor of the *McGill Daily*.

Next to him is Mr. Lawrence Jones, Assistant Director of Information Services, University of Toronto.

Mr. Jones: I wonder if it would be worthwhile to have the other student editors continue and then perhaps I can speak.

The Chairman: I have no objection to that if they do not.

Mr. Scott, why do you not go next?

Mr. Scott: All right.

The Chairman: Identify your name and your paper.

Mr. Scott: My name is Dave Scott. I am Editor of *The Gazette*, in the City of London.

My remarks will be very brief because anything that is said before this committee will probably turn out to be a cliché. I think there have been hundreds and thousands of clichés uttered before the Senate Committee on Mass Media since it began.

Mr. Chenoweth is not representative of the student press in Canada. He made that fairly obvious himself. Some of his ideas of how the student press is abrogating its responsibilities and how it is an infant and it has to grow up is matched pretty well by his feeling about what a newspaper is within the university environment; his feeling that the *Daily* "services a market"; the fact he would consider the success of the *Daily* is increasing because its advertising rates are going up, that would merely indicate to me maybe the advertisers believe there are a lot of people to be reached. It does not mean they respect or disrespect the *Daily*, one way or the other.

However, I will not turn this into a harangue against the *Daily*, I have a fairly low opinion of it as a newspaper.

Within the context of my own newspaper...

Mr. Chenoweth: Can I answer that?

The Chairman: He wants to know if he will have an opportunity to answer. In the question period you will.

Mr. Scott: I am sure he will reply.

As it affects *The Gazette* which is isolated, the staff and myself feel isolated from the rest of Canada probably more so than the *McGill Daily* feels isolated from the rest of Canada; London is a peculiar town. It is a market research town which I think most people in business would realize. It is a good place to test your detergents and the kind of people who live there and the kind of people who go to university there are a direct reflection of that.

The Gazette in the past has perhaps had in its own small sphere of influence a worse reputation than the *Daily* used to have, mostly for smut. Three or four years ago *The Gazette* was burned publicly by a large group of students at the university, and the morality squad was very up-tight about the newspaper. At that time *The Gazette* was a titillation, something you would not take home to your parents but you would giggle about in your residence room. That was the kind of newspaper it was. It had no information but it had a lot of childish patter which indeed reflected the education of the people who ran it. In fact, the people who ran it had very little education although they were in university.

Over a three year period we have built *The Gazette* up to what we would consider to be an organ of opinion and information and I hope to go a lot further than it has even this

year with me as editor. We have tried to reflect the fact that people at university, although it is very rarely demonstrated, are somehow educated people, who would be willing to accept or if not accept at least discuss other ideas and ideologies.

We are also basing it on the belief that people who worked in a student newspaper in particular had the right to say what they wished to say by reason of the amount of work that they put into that newspaper.

Now, we discussed this for a very long time. We hashed it over quite a bit, about what right did we have to express our ideas, or were we supposed to merely reflect the ideas of the students of the university? We came down pretty firmly on the idea that we were not to be a reflection of the university. We were to be leaders.

In other words, we were to demonstrate to people what we believe. We were to demonstrate what our ideas were, how we formed them and what we believed to be true. I think probably everybody in the room would agree that truth is probably what a newspaper is supposed to be about.

We did not feel we have any necessity to reflect what people who are at university had to say. If those people wanted the newspaper to reflect what they had to say, then they had every opportunity, in the structure of newspaper, to come in and work for us. In other words, they could come in and take over the newspaper, if they wanted to.

It is such an unstructured medium that I am the managing editor in the space of a year and a half with no experience when I started. Now, the fact is that anyone at the university could come in. And the fact is that only about 30 people ever do, and those 30 people, I think, by reason of that, have the right to say what they wish to say, everything short of criminal libel, quite frankly, and to put forth their views to put forth their beliefs and to put forth an ideology, if they care to.

Now, if the students at the university do not care to listen to that ideology—I think they would be admitting their narrow-mindedness if they did not—if they would like another ideology to be presented, or if they wanted no ideology to be presented, they have the opportunity to get rid of it.

The Gazette is perhaps different from other newspapers in Canada. In fact, I am sure it is, in that the students do not pay for it. We are a disgustingly rich newspaper. Interim financing is provided by student funds, which is

included in the students fees at the beginning of the year and at the end of the year *The Gazette* breaks even and they should probably make money. We will try to find a way to spend that money before the end of the year comes. As it is now, we are receiving so much advertising, it is becoming a burden to us. So, in other words, *The Gazette* does not cost the students anything.

Now, whether or not you say the students really do own the newspaper is another matter altogether. We do not parade any Student Council line. Any editorial opinions are editorial opinions worked out in a staff context in some sort of attempt at staff democracy, although it has not been carried very far at *The Gazette*.

Now, in the final analysis most of the editorial opinions, I suppose, are mine because I write them.

We attempt to present the news in a fair way. I do not believe in objectivity because I think the word has lost its meaning. Fairness is the only way. People from the time they are born have preconceptions in their own minds and those preconceptions cannot help but be reflected in the way they write and the way they perceive something. Therefore, objectivity is impossible to achieve.

Anyone who says let us try to be as objective as possible, is begging the question. Let us try to be as fair as possible. In our news coverage we try to be as fair as possible. We delineate news coverage from opinion on the editorial pages and I think that is the full extent of my responsibility.

The Chairman: Thank you. Mr. Scott, as I have already mentioned, is the Editor of *The Gazette* of the University of Western Ontario.

Next to him is the Editor of the *St. Mary's Journal*, St. Mary's University, Halifax, Mr. Mike Smith.

Mr. Smith: I did not come in with any set preconceptions as to what I was going to say.

The Chairman: Do not feel you must say anything.

Mr. Smith: No. I have some things I want to say although my presentation may be a little disjointed. One point, Mr. Davey, is that we are not the *St. Mary's Journal* any more. We are *The Journal*.

The Chairman: I apologize, of course.

Mr. Smith: First of all, I would like to make several maybe basic assumptions in the

way of how I think a student newspaper should operate. The first of these is that the basic purpose of any newspaper is to represent an accurate reflection of the real world. That is what is out there—to present a reflection of that world as it affects the people that the newspaper is being read by.

Now, that relates to the campus because of course, the campus is not a segment of the world which is off somewhere in some white tower. It is, in fact, a segment of that world. You might note that generally the university campus is the upper middle class segment of that world, but that is a detail at this time. Within the campus, the students are a majority and are, particularly in the situation that I am in, a looked-down-upon majority because our university administration is very paternalistic; paternalistic to the point of being willing to throw three girls out of residence rather than sit down and negotiate the problems, and they threw three girls out of residence this fall in a move which I can only describe as some sort of hostage hold.

Senator Beaubien: What did the girls do?

Mr. Smith: As I remember they cried and went home.

Senator Beaubien: What did they do to get thrown out?

Mr. Smith: That situation was one in which the administration refused to negotiate on residence regulations and residence regulations...

Senator Beaubien: You are begging the question.

The Chairman: The question period comes later, Senator Beaubien.

Mr. Smith: So that the university campus being part of the world is generally a reflection of the world and, of course, the political divisions of that world are reflected, et cetera et cetera, but the university also reflects the screw-ups of the real world. That is about the only word I can think of. It reflects the compartmentalized way we look at things.

A good example, of course, would be sports where it is compartmentalized. Sports is something you look at on television but it is not something you do yourself.

The role of the university press then, as would see it, would be to provide accurate information about the contradictions which develop and which face people in the university environment. That is, paternalistic and

ministrations, of course, as opposed to maturity and independence. Contradictions between so-called education and lectures; the contradictions between faculty parking lots and student parking lots, if you will; these contradictions opposed to a general world view which says "all men are equal and all men are free".

What I am trying to say is that the university presents certain ideologies. By ideology I mean the basic study of ideas which says that—in the work of the American Constitution—"Men have a right to life, liberty and the pursuit of happiness", and having said that proceeds to deny it completely. That, of course, is a function of the world.

Our job then, or the job of a good newspaper and particularly the job of the student newspaper is to provide factual information which will point out these particular contradictions in the hope that with analysis and interpretation people will become sufficiently tight to do something about it rather than sit back and saying "we cannot do anything about that".

I think that is all I have to say.

The Chairman: Thank you. Mr. Smith is the Editor of *The Journal*, St. Mary's University, Halifax.

The final student editor we have with us is the editor of *The Gateway*, University of Alberta, Mr. Allan Scarth.

Mr. Scarth: I think I have a letterhead which includes the senators' names as late as January 30. It might be possible to change.

Mr. Fortier: No money.

Mr. Scarth: We had to stop printing for a while this year too.

The Chairman: You know the feeling, Mr. Scarth.

Mr. Scarth: The comment that Mr. Chelmsworth made that he was a representative editor, I am an editor-in-chief and as with Mr. Scott, I do not represent their views. We tried to get a little bit of a collection going in conservative Alberta.

The first comment I am going to make is on Senator O'Leary's statement from the original guidelines which goes something to the effect—no freedom—he was speaking of the freedom of the press—includes the right of privilege—the right to enter the society granting that privilege.

If journalists follow that kind of ethic, and to a certain amount they do, we are not going to get anywhere, student or otherwise journalists.

The second thing is what is *The Gateway* trying to do and what is news? The basic problem going around is that people think that the press should be—in the words of last year's *Gateway* editor—"a responsible press, not a biased political press". I think what is being ignored in statements like that is that if you want to call it a sin, the sin of omission is just as bad as the sin of commission.

In other words, if you are going to be safe in your coverage, treat the thing in the non-political fashion, you are supporting an ideology just as strongly as this, you have come on the other side and argue for a different ideology.

Now, I think underneath what *The Gateway* is trying to do is to tell the students that they are niggers. I think probably the Senators if they read their own Hansard will be familiar with that term. They have lost their guts and the whole bit after 12 years or more of sin, so that brings the *Gateway* to a definition of what is news.

Now, they realize they are a small group of people. They know they want to tell the students they are niggers and yet they know that the students do not think that way. They know they will be accused of Fascism if this small group tries to tell them the truth; so to get out of that hang-up, they ignore it. The main news becomes student union news. It becomes a tenure dispute. It becomes when the swimming pool is going to be open on the campus, and that is a fact.

The press is not going to get anywhere doing that. At the same time I will agree there is a service function if you treat the campus news. You are an information media; but if you are not going to be agitative, you have lost the only alternative to the daily professional press.

Now, that pretty well takes it as far as *The Gateway* is concerned. The fear of being undemocratic perpetuates the surface, safe coverage of news, when you are afraid of hurting somebody or overstepping your bounds, so I will agree with Mr. Scott.

To bring it specifically down to the *Gateway*, I want to make a point here—I do not think there is such a thing as a university press. There is the student press, which is a very important point. At least at the U. of A.

the administration has no use for a free press, and I will back that up with specific examples.

There was a cartoon, this is the cartoon here, that was published in the U.B.C. originally and is a cartoon on the Vietnam war, which uses a sexual connotation to get across the point of view.

Now, that cartoon appeared in four or five student newspapers before our printing service co-ordinator refused to print it.

Now, I do not want to make the point this cartoon is important.

Mr. Fortier: I am sorry. Who refused to print this?

Mr. Scarth: The printing services co-ordinator. He is in charge of the printing shop.

The point I want to make is what ensued after that refusal. Then we were forced to publish a blank space with a little note saying he considered this objectionable. He didn't raise legal reasons. He said "I consider this objectionable, in poor taste".

Now, it was appealed by myself to the Vice-President in charge of Finance and Administration. He is directly under the President and he is the final boss over the print shop. He refused to print it so we took it to the general faculty council with two parts to the motion: one, that the university install an appeal board. The appeal board would be composed of faculty, administration and students. This was a suggestion which came from the student union president which to me had a great deal to say for it.

In other words, if there was a hassle over printing something this board, composed of the whole university, could be gone to for an appeal by the paper.

Now, the general faculty council, which is a major governing body at the University of Alberta, refused that. They laughed at it. They did not think it was a good idea and that is how open they are. So whether we want to print a poor taste cartoon is not the point. The point is that when you do something that really gets somebody upset—for example, if we really slammed somebody in a political sense you could have the print shop carry out that same kind of action with complete impunity. We were working for student control of the press on a small specific example and we got nowhere, so that is the state of the freedom. It is still being appealed. It goes to the Board of Governors. I doubt they will give their approval.

That is all I have.

The Chairman: Mr. Scarth, are you going to table this with the committee?

Mr. Scarth: Yes. Do you want some more copies?

The Chairman: We simply need the one. I think it would be useful for our record.

Senator Beaubien: May I see it, please?

The Chairman: Now, we have three more people to hear from. I am going to ask them to take about the same amount of time and then when we have heard from them I think we will break for a moment before we begin the questioning to give the reporter a break.

The next group we are going to hear from are representatives of the administrations. The first is Mr. Larry Jones, Assistant Director of Information Services, University of Toronto.

Mr. Jones: As Assistant Director of the Department of Information, I have a dual function. I am the editor and I am also press relations officer, for lack of a better term. Our department is responsible for the relations of the University of Toronto with the press. I should explain first that I am speaking strictly for the University of Toronto. I do not pretend to be able to say what the policies are of over 40-odd degree-granting universities in Canada.

In our work as special relations officers, we deal with the student press on the campus exactly as we do with the media downtown. There are at the University of Toronto two campus-wide student-operated communication services—the *Varsity*, published three times a week during the winter session and about three times during the summer, and the U. of T. Radio which carries closed circuit radio programs to various student gathering places on the campus.

Our department is responsible for the dissemination of news of the University, particularly—I may as well say it—administrative news, the administration side of the issue, factual statements, announcements of all kinds to the various "publics". We have, we think, particular responsibility to the taxpayer and most of our money comes from the taxpayer, especially the taxpayers of the Province of Ontario, to our alumni, to our staff and to our students. We reach these people in various ways. As publishers we have three public

tions on a regular issue each aimed at a different audience and also through the public press.

This year we had 26,000 full-time students and 8,000 part-time students. We have a staff, academic and non-academic, of approximately 9,000. Last summer there were 10,000 students taking summer courses. This year there will be 11,000.

All these students have access to the *Varsity* and to the U. of T. Radio. For these reasons we feel it is pretty important to deal with the student press exactly as we deal with the daily newspapers, television stations and radio stations. Everything we do, everything we release and everything we say goes to the *Varsity* and to the U. of T. Radio automatically. We sometimes alert the student media in advance of something we think may be of special interest to the students and we give them material quickly especially if the press is facing a publishing deadline. We have on occasion held releases up a day or two in order that a student paper and radio station could use it before or at the same time as the daily press.

One of the major news stories that the University of Toronto in recent years was the report of the Commission on University Government. This came out on a Sunday afternoon and copies were printed. The press run at the University of Toronto was completed by three o'clock in the afternoon of Sunday afternoon. One hour later we had copies down on the office of the *Varsity* and at U. of T. Radio, and then we took them to the daily press and the television and radio stations.

When we have a news conference—we do it do this very often because it is a highly re-used technique—the *Varsity* and the U. of T. Radio are automatically invited.

We always welcome any student reporters to our offices and our only complaint is we hardly ever see them. If they are covering the campus, they do not include us in their coverage very often.

We do not try to stop or block any interviews with any administrator on the campus acting as an intermediary in this way. In other words, you set this thing up. If an interview is desired with the President, we try to arrange it, but we do not stop them. We do not feel everything should go through us. We do not entirely agree with that.

We do not always agree with the treatment given to us in the student press of the news that we supply, but that is their business.

They have the right to present the news as they see fit, just as we have the right to present it in our own way in our own publications. And a story we think is important may not be used or presented in a way which offends our editorial sensibility does not affect our open-door policy. I think if there is any department or division of the University of Toronto which has an open door, it is the Department of Information. When the student editors were speaking about it, I do not think I heard one of them complain about any interference by their administration of their right to access to the news. So to sum up...

The Chairman: They are not through yet, Mr. Jones.

Mr. Jones: The student media have the same right of access to the university administration for news as any other media. They have no more and they have no less, and we are treating them accordingly.

The Chairman: Thank you, Mr. Jones.

Next we have the editor of *Au Fil des Evénements*, Laval University, Mr. André Villeneuve.

Mr. Villeneuve: Yes. I think, Mr. Chairman, you will have to use your earphones.

The Chairman: Yes. By all means speak in French. We are quite prepared.

Mr. André Villeneuve, Information attaché of Laval University, Editor of "Au fil des Evénements": Mr. Chairman, I wish to speak to you about a rather special situation regarding student newspapers in Quebec, at least where the French press is concerned. The people from McGill may do the same regarding the English press.

We have a special situation in the sense that there no longer exists, either at the University of Montreal or Laval University, a so-called well set up student organization.

The student body as such can no longer be defined and, consequently, this student body which financed the student newspapers in the two main French-language universities has as a result caused *Le Quartier Latin* to disappear locally in Montreal and *Le Carabin* at Laval University. Through USEP, a student organization which brought together the students in Quebec universities and colleges, *Le Quartier Latin* has become a provincial newspaper promoting certain ideologies even though USEP, as a Quebec student organization has ceased to exist. *Le Quartier Latin* went on a commercial basis. On campuses, this situation

creates a rather special problem. At the present time, the lack of funds justifies the absence of a student newspaper and the university is attempting to remedy the situation and to fill, at least partially, the roles which the student newspaper played. This situation is problematic because the university, since it edits the newspaper itself, cannot but promote the value system which its administrative body endorses and maintains.

The fact remains that, for almost a year already we have been constantly endeavouring to allow greater student participation in the planning of the newspaper which the university puts out and that, on the other hand, we are not assuming any kind of control over anything which a student, or a student group, may write in the newspaper itself.

We believe this to be important for several reasons because, though society has specific information requirements, they cannot be defined in the same way for a university society, because here again the word is distorted.

The university is not a society; it is an artificial environment where we find almost all ideologies, whether they be economic, excessively permeable, very heterogeneous. Indeed, it is a sort of laboratory in which society constitutes the basis for experiments. It then becomes of prime importance that a student press, or semi-student press, be able, easily and without constraint, to analyze the world around it, to criticize it when necessary, to promote new values, and to do so with full freedom of action.

If we go back to the comment by Senator O'Leary who stipulates that it is not a right to revile the society that believes it, we should also bear in mind that the university environment is one which seeks, but it does not involve only seeking, but the discovery and dispensing of new values which may, in some cases, even be an extension of the values which a society currently holds.

Someone said that the university was the nation's forum. The fact remains that this is still true and that, of all the media, the student press in particular must be its instrument. Mr. Chairman, I make these comments especially to point out the difficulty that a member of a university administration has in being both the editor of an official newspaper and someone who tries to perform certain functions which the student press used to perform.

This situation is paradoxical, even abnormal, and means should be found at our university level to make a press controlled by the students economically possible without outside advertising revenue, or other control mechanisms.

The Chairman: Thank you very much.

Finally we have the Editor of the *McGill Reporter*, Mr. Harry Thomas.

Mr. Thomas: Thank you, Mr. Davey.

I think I should start with a brief explanation of what the *McGill Reporter* is and how it came into being because I think that we are still quite a unique publication in the academic world within Canada, and within the United States; although many universities various ways have tried to do a similar kind of thing that we are working at.

Back to the comment that Mr. Chenoweth made about the past history of the *Daily*, would like to state that the reason we exist, I suppose, in a sense the fact I have the job that I have is a direct result of a certain disapproval or concern about the way the *Daily* was functioning at that time.

We were established in the fall of 1968 and I think the University had in mind—the Senate Administration—felt that there should be an alternative publication on campus that would be open to points of view from all sectors of the community as the *McGill Daily* was operating on a somewhat exclusive editorial basis and, it was not all that amenable to accepting material from people, students, faculty, who disagreed with their viewpoint.

We started publication sort of not knowing exactly what we hoped to accomplish and really how much life this particular publication would have.

When I took on the job I asked for certain things. One is that I would be relieved of any responsibility of reflecting or articulating the public relations role or the administrative point of view. At that time the Senate had passed a resolution which stated that all information within the university was to be considered public unless otherwise specified and we took the view that this opened the whole thing up to everybody, to the student press, to the external media, and to ourselves. We just sort of competed and worked within that framework and asked for no special favours from the administration or government bodies that exist on campus.

The other thing that I asked for and received was in the area of editorial freedom, an opportunity to exist outside the context of the information office. Although administratively and although my office is within the same building that the information office is in, and I get my budget through the information office, editorially I am responsible to a Senate Committee which is in turn responsible to the Senate and in deciding what material goes in or is left out of the *Reporter*, what things are covered, I make my own decisions although monthly I appear before—I am a member of the committee actually—which can censor me to a certain extent. They discuss the kind of editorial judgments I have made in past issues.

I think this has allowed us to develop in quite an interesting way so that the *Reporter* is plugged in very much with the academic, social and political life of the University, involving students and faculty, and we do attempt to relate more to the academic aspect of the University than student publications do. We have a very broad type of coverage.

We do have one responsibility, and that we try to carry out, and that is to provide editorial coverage of the major governing bodies of the University so that in a sense we act as a record and the *Daily* does cover these same meetings, although sometimes they may add and sometimes they may not. They get the information first and it is on the campus, but we still cover the same ground in order to provide this permanent record.

I think the *Reporter* has come to be an acceptable part of the university communications although we did not try to be a mass publication in any way.

This year from a graphic point of view the *Reporter* is quite dull and is really only of interest to people who are interested in reading, who are really interested in views and opinions and articles of comment, reports, and so on, that are done in some depth with some intellectual effort.

As far as the student press is concerned my feeling is that if I felt the *Reporter* was a threat to the viability of the student press on the campus, I think the *Reporter* may be done away with. I think that the most important thing is to have a free, active, critical student press. I think the opportunities for that press are not well developed at McGill at the present time. I think there seems to be a lot of self-questioning among the students as to

what their student newspaper should do, but I think that they will work this out for themselves.

Mr. Chenoweth made a comment about student apathy. This year I think that in part is almost a reflection more of the kind of newspaper that the *Daily* has been so far, although it has shown signs of livening up a bit, and a real desire on the part of the students to have a really objective and non-critical publication that they can rely on for this objective reporting.

I think that the *Daily's* of the past were quite popular with the students although the students may have got upset by some of the things that appeared in them. They were lively publications and I think everybody on campus looked forward to seeing what *The Daily* had to say about things.

The editor who was fired, I looked forward to his term of editorship because I thought he had the potential of being a very dynamic critic of the University. I think we are lacking that on the campus, although through the *Reporter* we try to provide opportunities for people of that nature who want to express themselves. So in sort of summing up, I think my view is that the life of the student press is paramount and our publication is supplemental. It is a kind of alternative and I think that we are not a threat at the present time, and I certainly hope we do not become one.

The Chairman: Thank you very much, Mr. Thomas.

I am going to propose, honourable Senators and ladies and gentlemen, that we adjourn until 11.35 which is about eight minutes from now. This will give our reporter a break and everybody will have a chance to stand up. We will come back at 11.35 and turn directly to questioning. I propose we sit until one o'clock and we will then resume at 2.30 p.m.

We will adjourn for eight minutes.

—A short recess.

The Chairman: We will reconvene the session now, please.

Ladies and gentlemen and honourable Senators, I am going to propose we go through now until approximately one o'clock and we will then come back at 2.30 and in this discussion we are going to have and in this question and answer session, which is billed as a round table discussion, I think that is what it should be.

I hope we can have a fairly free flow of information from the Senators and from the

people who are here as our guests. If any of you who are here and who are our guests wish to chip in on any part of the answers, I think you should feel free to do so. The Senators will be mindful, I am sure, to put their questions to the various individuals who are here so we do not ask a disproportionate number of questions to one person, and I think, as I have said, for purposes of simplicity we will try to deal with the student press this morning and the mass media generally this afternoon.

At the same time I think that Mr. Saxe's initial point was well taken and I agree with him that the student press does not exist in a vacuum nor does the mass media. The interrelation is pretty consistent and perhaps to be meaningful it might be we will want to look at the entire picture—but within reason, or within the realm of possibility I hope we can deal with the student press this morning. If we do not complete it, we will resume it this afternoon, and then turn our attention to the mass media.

As I say, this is not a hard and fast rule. I think perhaps Senator Hays, you might wish to put the first question. Would you identify to whom you are putting the question.

Are you all familiar with the names of all of these people? We have Mr. Villeneuve over here. Mr. Thompson, Mr. Russell, Mr. Saxe, Mr. Jones, Mr. Chenoweth, Mr. Scott, Mr. Smith, Mr. Scarth and Mr. Thomas, so try to identify to whom you are speaking.

Senator Hays: I would like to put this question, Mr. Chairman, to Mr. Scott.

You mentioned, Mr. Scott, that in financing *The Gazette*, you did not know what to do with all the advertising. I wonder whether you would inform the Committee how *The Gazette* is financed, whether you receive anything for being its editor, and so on.

Mr. Scott: Well, I did not say I did not know what to do with the advertising. I know what I would like to do with the advertising, but I am not the publisher, and I work within the framework that I was given when I took the job.

The Chairman: What would you like to do with the advertising?

Mr. Scott: Well, I would not want to put that on the record.

The Chairman: Why, Mr. Scott?

Mr. Scott: Well, I quite frankly would like to have greater control over the amount of advertising I carry. As it is now I carry all the advertising that is given to me, and in any particular week when I do not have any news, the advertising still goes. I have had a week in which I have had 55 per cent of the paper in advertising.

My guidelines are about 40 per cent.

Senator Hays: Well, will you give us a run down on how the paper is financed?

Mr. Scott: The paper is financed—all publications at Western are all advertising and all publications at Western are funnelled through a central agency called the Central Advertising Bureau. That has a full time manager and secretary and the manager is a former advertising salesman for the *London Free Press*. He hustles advertising for the paper, works during the summer to get volume contracts, large advertisers and national advertising for it.

Senator Beaubien: Does he get a commission?

Mr. Scott: Yes, he gets a commission, understand.

Senator Hays: Do you have a financial statement?

Mr. Scott: The newspaper?

Senator Hays: Yes.

Mr. Scott: No, not at present because we are not a corporation. The corporation itself has a financial statement and we are listed in it.

Senator Hays: I am not getting the information that I would like. I would like to know: how many dollars worth of advertising you have, whom do you pay: where does your money come from, and this sort of thing.

Mr. Scott: Well, *The Gazette* costs approximately \$1,900 a week to produce. At least somebody claimed \$100 and \$300 extra, you know, after the cost of production was met so far. Some of that goes towards my salary. I am paid to do the job.

I listed myself in my brief resume as earning \$85 a week. What I meant was the editor's job pays \$85 a week, mine does not.

When I was with the Student Council setting up the scheme of a paid editor I insisted that they should not set it up in such a way that a student could not have it. In other

words, I did not want it set up that a non-student from now on would always be the editor of the paper, so we set up a sliding scale whereby at top salary you got \$85 a week, or whatever that works out to a year from September to April, but as you took each course, they pay the tuition for the course and lopped off about \$800.

As it is now I get paid \$1,200 for the year and they pay the tuition for the three courses I am taking. My salary amounts to \$34 a week.

Senator Hays: What is your advertising take? How much do you receive from advertising?

Mr. Scott: I really do not know the figures. I could give you a guess. It is something probably in the area of \$50,000 a year.

Senator Hays: So you make a profit? You said your expenses were around \$2,000 a week.

Mr. Scott: In the past four or five years *The Gazette* has never made a profit, it has always lost. Last year it lost somewhere in the area of \$1,000 because I insisted on putting out a supplement, a picture supplement if Western with no advertising which cost approximately \$1,000 over budget, that had not been budgeted.

Senator Hays: Who picks up the loss?

Mr. Scott: The Student Council absorbed it.

Senator Hays: Where do they get their money from? I have never gone to university and I do not know.

Mr. Scott: It comes from the student fees. The student fees are paid compulsory. Eighteen dollars is taken from each student at registration.

Senator Hays: Mr. Chairman, if Mr. Scott could give us the financial statement in so far as *The Gazette* is concerned, I think that it would be well for this Committee to have it.

The Chairman: You would like to have it?

Senator Hays: I would like to see this. I would like to see this for all the university papers, if it is available.

The Chairman: I think Mr. Scott has explained that information will be available only from the Student Council at the University of Western Ontario.

Mr. Scott: You would have to have the financial statement of the Student Council because, as I said, the student newspaper is a creature of the Council. The Council is the only corporation.

The Chairman: Mr. Fortier, do you have a supplementary question?

Mr. Fortier: If I may, yes. On this question of advertising in student newspapers, I think I should direct this supplementary question to Mr. Saxe.

The Chairman: Just before you do direct your supplementary question, Senator Hays is anxious, apparently, to get the financial statement from *The Gazette*, but I think the point that Mr. Scott has made, as I understand it, is we can get that information only from the Student Council at the University of Western Ontario.

Mr. Scott: I could not provide it to you.

The Chairman: If you wish, the Committee will approach the Student Councils in question.

Senator Beaubien: It would not be very hard to take the figures out of the Student Council financial statement.

Mr. Scott: I would not be at liberty to do it because I am only an employee of the Student Council.

The Chairman: I am sure we can get this information.

Senator Hays: I think it would be nice to have this information in lieu of all the statements that have been made.

Mr. Fortier: I was very interested to hear Mr. Scott say he had so much advertising he did not know what to do with it.

I have seen somewhere in our research material, Mr. Saxe, that the C.U.P. was setting up some form of co-operative advertising office.

Could you tell us (a) who demanded the setting up of this office and what was the impetus that gave rise to it and (b) whether or not it has started operating and if so, how effective is it?

Mr. Saxe: Well, I think probably before doing that, I could answer a few things for Senator Hays as well. If Senator Hays was to pick the average student newspaper in Canada, which did not exist, some sort of fictional paper, it would have a budget of around \$30,000, of which it would receive approximately \$15,000 in ad income, and \$15,000 as a direct grant from the Student Council.

That \$15,000 that is raised is almost always from a compulsory student levy that is turned over to the Student's Council and then the Student's Council decides how you divide that money up, and that is where the \$15,000 would come from.

Senator Hays: That answers my question.

Mr. Saxe: Now, as far as Mr. Fortier's question is concerned, the Canadian University Press had this conference in December following a history of consideration of the National Ad Co-op which would probably go back to the founding of the C.U.P., which has been very active for the last seven years. It was decided to embark on another attempt to set up a national advertising co-op, and this attempt has now reached the stage where it has been approved by almost all—there are two exceptions, both of them sitting at the table.

Mr. Fortier: Would that be the *McGill Daily*?

Mr. Saxe: Yes. The *McGill Daily* voted against and *Western Ontario Gazette* abstained.

Mr. Fortier: We will ask them why after, but go ahead.

Mr. Saxe: Other than that, slightly over 40 of our 50 members at the conference voted in favour of the scheme. The way the scheme would operate is only for national advertising, and not for local advertising in the city or publication, but for national advertising attractive from a major national advertiser.

It would have exclusive rights to represent all the people who signed under the scheme. Hopefully that would be approaching all members of the Canadian University Press.

Mr. Fortier: Would you be looking for this advertising on a regional basis?

Mr. Saxe: We would be looking for it on a number of bases.

This way we can present to advertisers a market which makes economic sense to them

which, at the individual level, the student papers, because of the cost of publication of advertising and the size of their readership do not make economic sense to national advertisers. Those national advertisers who do advertise at the present moment do so because they want to reach that audience despite the cost.

Mr. Fortier: There seems to be three national advertisers in student newspapers across Canada, Coca-Cola, Tampax and Bank of Montreal.

Mr. Saxe: All of the student press probably has those.

Mr. Fortier: Why is that? How has the student press been able to keep those advertisers?

Mr. Saxe: Actually, it comes the other way. What happens, Coca-Cola, Tampax and the Bank of Montreal tell their agencies that they want the press. In other words, if the agencies want our contracts, we want the student press.

Mr. Fortier: Why would not 7-Up, Modest and the Royal Bank do the same?

The Chairman: I am not sure that is a fair question to put to Mr. Saxe.

Mr. Fortier: If he doesn't know the answer...

Mr. Saxe: All I can say is I wish they would and as we pointed out, there are enough corporate connections in this room to help out.

Mr. Fortier: Are you suggesting that those corporate connections are preventing some national advertising?

Mr. Saxe: No, by no means. I just thought might as well make use of showing up here and do a little selling.

The Chairman: May I ask a question of Mr. Saxe?

Mr. Saxe: I do not feel I have answered Mr. Fortier's question.

The Chairman: If you are going ahead please do. I just wanted to ask you a hypothetical question. You mention \$30,000 half of which came from advertising revenue. Of the half from advertising revenue, how much of it would be national and how much would be local?

Mr. Saxe: At that size of paper that would probably have a budget of \$30,000, about \$3,000 of his \$15,000, I imagine, would be national.

Now, when you get up to the larger papers, they do get a much larger amount of national advertising. When you get to the small papers even their proportion drops, so if a paper whose advertising income is \$5,000, \$1,000 would not be national. They would be lucky if they had \$1,000 national. In other words, the small paper may have Bank of Montreal, Lampax and Coca-Cola. That is probably about it.

In the larger papers we can identify approximately 48 national consumer advertisers. That is, to separate them from national advertisers who are out doing hiring work. In other words, advertising for student employees. That is only in the largest four or five papers.

The average amount carried even on papers with a circulation of 10,000 to 12,000, there could not be any more than 18 national consumer advertisers. For financial reasons I don't think they want to waste money. Suffice to say it does not make much economic sense to that agency to go into these overhead costs of placing the ad under the present organizational scheme.

What we can do by printing the entire package together and selling it either in readership packages and if all the C.U.P. members get on, we would run one-quarter of a million readers. Either readership packages or specific market packages; i.e. all schools of engineering students or all schools with women on the campus, all schools without women on the campus, whatever the particular interest of the advertiser is with his own product.

We would like to put together this sort of market and sell them through a full time professional office, and we feel we could grasp to increase of national advertising.

Now, another interesting aspect of that is, of course, that it will also guarantee some degree of political freedom in content to the number newspapers, apart from the advertiser. There are some papers who have experienced advertising censorship. Most notably Carleton University—I am sorry, the year during a major fight between administration and the student paper *The Carillon*, and in other instances—*The Chevron* at University of Waterloo immediately following an overback page devoted primarily to an obscene word, and things like that, experienced advertising censorship.

The Chairman: What do you mean by advertising censorship?

Mr. Saxe: The advertiser says "In view of what you have published we are cancelling our ads or will not advertise with you any longer."

Mr. Fortier: Who is this?

Mr. Saxe: The advertiser.

Mr. Fortier: Who were you talking about, which advertiser?

Mr. Saxe: I don't think that I could—not that I would not—file that information, but I just do not have it at the moment.

Mr. Fortier: Oh, you do not have it.

Senator Hays: Is it available?

Mr. Saxe: I imagine it will be available simply by writing *Chevron*. I know they would be very glad to forward the names of advertisers.

Mr. Fortier: Would any newspaper representative here, Mr. Chairman, wish to comment on that point?

The Chairman: I think Mr. Fortier's question is, have any of the newspapers here experienced such a problem?

Mr. Scarth: The *Gateway* will lose local advertising once in a while.

Mr. Fortier: What about this editorial freedom you spoke of earlier and the fact your newspaper was not free? It was very much administration controlled. Would you say the same thing about your newspaper?

Mr. Scarth: I did not say it was very much administration controlled in the general content.

Mr. Fortier: No.

Mr. Scarth: I told you which perimeter you could reach.

Mr. Fortier: Would you say the same thing about your newspaper vis-a-vis advertisers?

Mr. Scarth: No.

The Chairman: Does anybody else wish to comment on this topic?

Mr. Smith: We have had a lot of problems that way. Our advertising people continually come back and say "Listen, do you mind not saying things because..."

The Chairman: Is this with national or with local advertisers?

Mr. Smith: Largely local. We do not have any trouble with national advertisers. We had a contract with Eaton's of Canada—up until two weeks before our first publication was put out this year. They cancelled it, explaining that they were not advertising in any college newspapers in Halifax this year.

There are four college newspapers in Halifax and numerous high school papers and all of them except us have an ad from Eaton's every week, so we kind of figure that explanation would not wash but they keep telling us they just do not have the money.

Senator Beaubien: You do not know why the stopped with you? They did advertise with you?

Mr. Smith: Yes. Last year we were involved in a fairly major hassle in which the editor and staff there were suspended from the University. They were later reinstated and the University admitted it had acted irrationally. They never made that admission public. In the meantime our radio stations and newspapers had carried on a series of defamatory statements.

Mr. Saxe: There is also one comment I wish to make which may complete the answer. There was also another reason. It was said there was competition in the field and since it had not at any time negotiated with the co-op, it never had any contact with the hard negotiating team that could present the other side; it was becoming very dangerous so that individual people tried to silence the student press individually with separate contracts separately negotiated which obviously was not in the interest of the student press at all, and also a number of people went out and claimed they represented the student press without any contractual right to do so and so the co-op is trying to put a stop to that.

Mr. Fortier: To bargain from a position of strength.

Mr. Saxe: That is precisely what it would be.

Mr. Chenoweth: On this question of advertising, unfortunately because of the fact that on the *McGill Daily* I was not in a senior position in past years—however, I can frankly say that when I was a freshman and a sophomore at McGill between the years 1965-1966 and 1966 to 1967, the *McGill Daily* senior staff

dreamed or hoped or thought it definitely possible within two or three years they would become totally self-supporting by advertising.

What happened in the year 1967 is what is known as the *Allnutt-Fekete* case. For the next two years our advertising did not, to the best of my knowledge, increase at all. Where as I do not think many ads were withdrawn because we are a very lucrative publication being the only daily college paper in the country, the very fact our ads remained static, I think will indicate—. I do not know if the editors receive letters or contract cancellations. I would gather the two might be related.

In view of the fact that now we are putting out—I will totally admit to this as Mr. Thomas put it—a rather innocuous paper, our advertising—although we lost the advertising manager within the first week of the year and had to make out for two weeks before we brought a new man in and trained him—we reached on our first term the estimates of \$31,000 annually.

Mr. Fortier: When was that?

Mr. Chenoweth: This year.

Mr. Fortier: 1969-1970?

Mr. Chenoweth: Yes, as of December. For the months September, October, November and December our advertising income was approximately \$31,000.

Senator Beaubien: So that is better than the year before.

Mr. Chenoweth: That is right.

Senator Beaubien: It is already better.

Mr. Chenoweth: That is in terms of the same period last year, yes, we are in a better position.

Mr. Fortier: Your student grant was also increased.

Mr. Chenoweth: Well, the operating costs are going up and our student grant has been increased, yes.

Mr. Fortier: A supplementary question which comes to my mind with this question of advertising is whether any of the newspapers represented here have ever refused to publish an ad which was submitted to them.

Mr. Chenoweth: Under Messrs. Mark Stankowitz who was the editor last year, and under Mr. Wilson, who was the editor for a

first three or four days of this year, I know our circulation and advertising department maintain the right and do exercise this right to reject certain ads relating to companies who were engaged—I think the words used are “in anti-people research”. I personally say I fully agree with this thing.

This would be the production of war materials and, let us say, the military-industrial formation of the United States and Canada.

Mr. Fortier: Is this still the policy?

Mr. Chenoweth: No. This is not our policy this year basically because the McGill Student Society seems to be in a very tricky financial position.

We have had to accept as much advertising as possible. If we ever become self sufficient I would hope the *Daily* would exercise its right to reject these.

Mr. Fortier: I wonder if I could get a comment from any of the other newspapers.

Mr. Scarth: There is one establishment we will not accept ads from, being a situation which would not allow people with long hair into this restaurant.

The Chairman: This is a local advertisement?

Mr. Scarth: Yes.

Mr. Fortier: I can see you would have the last say in that.

The Chairman: What about national advertisers? I wonder if I could ask Mr. Saxe one question on advertising. I do not mean to erminate the topic and if you want you can talk about it.

How would the rates compare—. Maybe I can put this to Mr. Scott or Mr. Smith. Let us take *The Gazette* at Western. Its circulation is what?

Mr. Scott: 11,000.

The Chairman: How would the national advertising rate of *The Gazette* compare with the advertising rate of a daily newspaper in Canada with 11,000 circulation? Is there any real change?

Mr. Saxe: It is probably much worse in cost of our papers.

The Chairman: Much higher or much lower?

Mr. Saxe: Much higher. You see, we are dealing with printing costs which do not remain static. In many of our larger student presses their rates are very close to rates of the daily in their own city, which would usually have as much as 30 times more circulation. So, if we find that the University of Waterloo the circulation is 12,000 your rate is about 75 per cent of the Kitchener-Waterloo Record for the same city.

This, of course, is not unaccepted since there is a specialty market involved and the advertisers realize they are dealing with a very special market.

The Chairman: There are now controlled circulation magazines appealing to your market. I think of a magazine like *Campus*.

Mr. Saxe: I do not want to say anything libellous about that but they are not...

The Chairman: Everything you say here is privileged, so relax.

Mr. Saxe: This could get to be lots of fun then.

Mr. Fortier: We are hoping.

Mr. Saxe: I should have named all the people who were trying to pull these dirty schemes a few minutes ago.

A major magazine attempting to represent itself but purporting to represent the inability to hit the students in a controlled way is called *Campus Magazine*. It certainly does not. It simply does not hit the market in any way whatsoever and its claim to do so is a complete misrepresentation.

The Chairman: Does it do very much national advertising?

Mr. Saxe: It does have the content. It does a fair national advertising content. This occurs mostly in liquor ads which are barred to the student press in many different ways but the net result is that they are barred to the student press. There are travel ads, et cetera. I say that with the qualification that I am not too sure they are maintaining their rate card but I think they are trying to build up a reputation to some day be able to maintain their rate card.

The Chairman: Is that the only publication that has attempted to do this?

Mr. Saxe: That is the only publication that has really attempted to do this.

Senator Beaubien: Where is it published?

Mr. Saxe: Well, the actual publication is done in Toronto. I think the printing once again for the liquor ad is done somewhere in the Province of Quebec.

Mr. Scott: May I ask something here?

The Chairman: Yes, by all means.

Mr. Scott: I speak from first hand because I started for the *Campus Magazine* when they first started. A former editor of *The Gazette* was the editor of *Campus* for its first year. Roy Whitsed is the name of the publisher of the *Campus Magazine*.

During the first year *Campus* gave promise of being a good magazine but Mr. Whitsed was not interested in the students but just for the student market. He sees the students as so many cattle.

Originally when the *Campus Magazine* came out its idea was to be distributed by controlled circulation. Mailing lists would be bought from the Student Council and any other sources possible, and the magazine was mailed out to third and fourth year graduate students. Now, he called it "Canada's National Student Magazine".

This year it has turned to "Canada's Magazine for Graduating Students" which is what he originally meant it to be. What it started out to be was a very beautiful publication. In other words it was something nice to look at and the material was attempting to be—and I hate using the word—relevant to what students wanted to read.

As it turned out, Mr. Whitsed did not really feel it mattered a damn what was in the magazine as long as he could say it is reaching 50,000 people. It is my understanding for the first year it did reach 50,000 people although very sporadically because a lot of Student Councils just gave him a very incomplete list taken from computers.

Mr. Whitsed in subsequent cases somehow resold that list, which is illegal under his agreement.

The Chairman: To national advertisers?

Mr. Scott: Yes, to national advertisers. In one case I can swear to it because I delivered the national list to a national advertiser.

Mr. Fortier: Who was the advertiser?

Mr. Scott: The advertiser was Supertest. The point being that the past year I understand... I have not the figures to substantiate this but this year I understand *The Campus*

is not reaching the circulation that it is telling its advertisers it is reaching. In one of these issues it published at something less than 50,000 yet told its advertisers it was publishing 50,000 directly to the students.

In fact, on most campuses now since the campuses have refused to sell him the list, he has found the list cumbersome, because he has lost all of his partners and his original editor, he is now mailing them in bulk.

In fact, he mailed bulk packages to *The Gazette* and asked us to distribute them, so we threw them in the garbage. That is the way the *Campus Magazine* is going. He is making money though.

Mr. Fortier: Do you feel it is a bad magazine?

Mr. Scott: It is a very bad magazine.

Mr. Fortier: Why?

Mr. Scott: Because it represents to people in Canada what the students are actually thinking. What he has turned it into is a career magazine. For instance, each month he features a particular career. The most recent one was natural resources. O.K. You have a picture of Dofasco foundry on the front. The colour preparation is beautiful. The picture of the molten steel, you know, the colour separation works real well on the back.

Mr. Fortier: Should you not let the students decide whether it is good or bad?

Mr. Scott: They have.

Mr. Fortier: Rather than taking it upon yourself to throw it into the waste paper basket.

Mr. Scott: Well, it is not my job to distribute it to the students either.

Mr. Fortier: No, but surely if you were asked to do it and then you automatically put it in the waste paper basket, as you have just said, because it is a bad magazine, you are exercising a certain risk...

Mr. Scott: I certainly am. This is based upon a lot of conversations with a lot of students who would not read the magazine.

Mr. Fortier: They do not get a chance to look at it.

The Chairman: I do not believe they do

Mr. Scott: They have a good deal of chance. They hire people at the registration at our university to distribute them to students coming in for registration and most of them dropped them in the garbage because I was there.

In his magazine he cares nothing about his audience. Let us put it this way: the man is not a publisher. The man is an entrepreneur. He has found a way in which advertisers are out of touch with the market in which they are advertising and as long as he tells them "I represent the students" they will continue to advertise in the paper until they find out differently. So far they have not found out different. Nobody has told them.

Mr. Chenoweth: Mr. Chairman, may I add something to this?

The Chairman: Yes.

Mr. Chenoweth: At McGill, *the Campus* is sent to McGill students because the mailing list was not obtained through the McGill Students Council but through McGill University.

I will take an area with which I am slightly conversant. Let us call it the prime selling area in the McGill fraternity. Large numbers of *the Campus* magazine are sent out to the members of McGill fraternities. *The Campus* is regarded by the fraternity members as junk mail. It makes wonderful fire paper, wonderful fire paper.

No matter what the class division, no matter what the political background, *the Campus* from the best of my knowledge, and I have talked to friends and associates, is regarded as arrogant and paternalistic.

It is just a terrible publication, no relevance. Use that word again.

You know, it is like the type of thing you expect to get at the end of high school. Like you want to be a lumberjack. You want to do some market research.

They had a wonderful one which maybe Al can remember more about—about the press in Canada, careers in the press in Canada. It was one of the most ludicrous pieces of writing I have ever seen. Its presentation was superficial, corny.

I was next to guess—perchance, do you have any idea of the way they are trying to place certain ads to certain careers?

Mr. Scott: Oh yes. That is the way they sell it. They say this month we are featuring linking, so all the ads in the paper are from links. They are getting all those students

who are interested in banking—we are going to reach them. They see the covers and all the rest of it.

The Chairman: I think Mr. Fortier has a supplementary question.

Mr. Fortier: Yes.

The Chairman: Before you go on to that, did you want to say something, Mr. Saxe?

Mr. Saxe: I was just thinking there are one or two others of Senator Hays' and Mr. Fortier's questions that I would like to answer. We have gone off the whole business. I am sure there are a few other things I can assist on from my notes.

The Chairman: Is this agreeable to you, Mr. Fortier?

Mr. Fortier: Mr. Chairman, my question has nothing to do with the business aspect of the newspaper, but this sort of information which *the Campus* seeks to propagate, do the student newspapers in Canada give this information to members of the university community?

Mr. Chenoweth: It is beyond us. Well, companies seeking graduates, seeking people involved in the company advertise in our papers or advertise the appointment dates. The information for any company is available from almost any university office. The company seeks placement offices directly.

Generally, I think in terms of the university press our job is not to tell third and fourth year students what careers they ought to be seeking; because that is basically their responsibility and it is beyond our facility to investigate an area such as that. You know, we would be just as biased.

The Chairman: Well, I will agree with Mr. Saxe. We do not want to leave the business part of the mass media.

Senator Hays: You mentioned that the university papers were financed 50 per cent out of the Student Council.

The Chairman: You are clear that was a rule of thumb.

Senator Hays: Yes.

Mr. Saxe: Roughly.

Senator Hays: And 50 per cent by advertising. Now, you are proposing to have national advertisers so that our friend from Halifax

would not have any problem with local advertisers and you would not be receiving this pressure.

Supposing you get pressure from the national advertisers—your particular group. Say Coca-Cola is not going to advertise in any of the student papers across Canada. What position does this put the Student Council in? Can you go back to them and say "We have lost all our advertising. It is not going to be subsidized 50 per cent by advertising, but we are going to have to make a levy for the whole amount." Now, I know this is rather hypothetical, but you are putting yourself in a position where you are easy to be sort of nationalized.

Mr. Saxe: I do not think that is going to be a problem in practice, Senator Hays, because you see when it is put together in this kind of package on a national basis, you have a very lucrative market and a very economically feasible market for these advertisers to buy into.

Also done on a proper business level, advertisements will be paid for a year in advance in most cases, so their ability to respond immediately to something that is not in a particular situation is somewhat limited.

Also their ability to respond without damaging themselves is somewhat limited. I think we have certainly found in many wide ranging aspects if the advertiser is seeking a lucrative feasible economic market, that he is not going to worry so much. He is selling Coke and that is what he is after, to sell Coke.

Also, of course, looking at the history of a number of upsetting incidents that occur in the student press, their advertising is very limited—actually very disturbing incidents. Certainly they may have some sort of feeling of antagonism but they do not take that to be all the student press.

It is only one or two papers that seem to be becoming antagonistic and that they will be upset about.

I think particularly in those circumstances the national advertiser is not going to cut off his approach to 50 student newspapers because of what one or two may be doing.

If in fact the co-op proved to be working to the contrary, they would probably be cancelled. One of the prime things in the co-op is that it has to be renewed every year. It is not a long term exclusive contract.

The other few things which I thought you might just be interested in putting out on the table are once again, speaking generally, because there are exceptions within the 50 papers to almost everything, but once again speaking generally, I think probably it would be of interest to say that most student newspapers are not interested in breaking even. They are interested in continuing their Student Council grant.

This relates mostly to the fact that whatever advertising ratio they can economically set up, be it anywhere from 20 or 50 per cent, given their own printing costs, relating to what the market will bear in their advertising costs, they are always interested in less. In other words, they would always like the ratio of advertising to be less to maintain the Student Council grant.

So, speaking for most papers they are interested in continuing the grant.

Of course, most publishers are somewhat interested in abolishing the grant so that sets up certainly one not unusual dynamic within the publisher which is reflected at the student press level.

Mr. Scott: There is a footnote to this with regard to Western. We are a special case given that our Student Council is perching on the brink of bankruptcy. They are between \$14,000 and \$20,000 in the hole. They have hopes of borrowing half of it this year and half the year after.

Mr. Saxe: The national co-op through providing some sort of guaranteed income will be able to offer some sort of reasonable guarantee to the student press so it can continue publishing, at least at a very minimal level in the event the Student Council is bankrupt or in the attempt at any level to cut off the income or its grant which, once again, is almost on every campus collected by the administration and turned over by good will to the Student Union. There is definitely an area of censorship possible there.

The Chairman: I am going to turn away from this discussion. Senator Beaubien, you had some question to ask?

Senator Beaubien: I would like to ask Mr. Scarth. Mr. Scarth, I looked at that cartoon of yours and I just found it disgusting. Why would you want to publish it? Have they got any young girls on your campus? Is that the sort of thing you would want to show them?

The Chairman: I think the question which Senator Beaubien put to Mr. Scarth has been phrased very well. I think he deserves an answer. Why would you want to publish it? It is his question and how would you answer that?

Mr. Scarth: I take it on two levels. Number one, nothing could be obscene enough to represent that war.

Senator Beaubien: Just a minute. We are not in the war.

The Chairman: Let Mr. Scarth give his answer and then you can comment, Senator Beaubien.

Mr. Scarth: Number two, if you are going to consider something obscene, it is without redeeming social benefit. Now, I do not consider that cartoon falls into that category.

Number three, the reason I would personally publish it is that it was a paid cartoon. One of them, was more brutal than that, without the sexual connotation, in which an American soldier was hanging on the cross, which I think could be censored on religious or political grounds.

And this one. This point of view on a paid cartoon—all of them ended the Vietnam war.

Senator Beaubien: I have no objection at all or anybody being against the Vietnam war but why would you want to publish something in the paper that is kind of disgusting and that really...

Mr. Scarth: That is the whole point.

Senator Beaubien: And is kind of filthy.

Mr. Scarth: Not because it was filthy but because it portrayed a very strong and brutal point of view on that war because it is a very strong and brutal war.

Senator Beaubien: Any war is strong and brutal.

Senator Hays: May I ask a supplementary?

The Chairman: Well, before you ask a supplementary question, I think in fairness to any of the other people who may want to comment on either the question or the answer, we should hear them.

Mr. Chenoweth: As I have said in my brief which, in the first sentence, is rather heavy and I will qualify it.

"I also believe that obscenity in its normal application is a meaningless phrase. The only things we can consider truly obscene are the miscarriage of justice and war to damage another individual. The only sexual obscenity is material which might damage the sexual outlook of children. I do not consider university students children. Therefore, I believe that the student press should be totally free of any controls in this area."

You know, "meaningless phrase", that is totally subjective. Any subjective thing is meaningless in terms of anybody else, not meaningless but impossible to debate.

What may be filthy to one's parents is not necessarily filthy to another.

The one thing you might say is that that cartoon might have damaged another individual. I personally fail to see, in the arrogance of my youth that that cartoon would damage the morals of any sweet young lady at university.

Senator Beaubien: If so, I would like to meet her. There are no bars at all, you just do what you like?

Mr. Scarth: Number one, there are libel laws and slander laws. It all comes under slander. Number two...

Senator Beaubien: That is a different sort of thing. I am talking about things that are disgusting and you can put anything on you like.

Mr. Scarth: It is my decision as editor to publish anything I feel is in the public interest. That is the final say.

Senator Beaubien: If a newspaper came along and said it could publish anything it wanted...

Mr. Scarth: In the public interest.

Senator Beaubien: Who decides it is in the public interest? You decide it is in the public interest?

Mr. Thompson: The same way as any editor does.

The Chairman: Mr. Thompson, did you want to say something?

Mr. Thompson: I just wondered what the relationship to obscenity is adopted by organizations like Inter City Papers Limited and Holt, Renfrew & Co. Ltd.

The Chairman: Now, Mr. Thompson, what is your question specifically?

Senator Beaubien: I am on the Board of those two companies. That is why he is bringing it out.

The Chairman: I am wondering what the question is.

Mr. Thompson: I really do not understand why Senator Beaubien is so upset.

The Chairman: Well, I think my comment on that is that I do not share his upset either, but the fact that he does is his privilege.

I think it is a perfectly valid question he has put and I think it was a good question and the answer has been interesting.

I do not think we can quarrel with Senator Beaubien's personal judgment of the cartoon any more than you can quarrel with his personal judgment or he can quarrel with your personal judgment.

Mr. Saxe: There seems to be a point there. There is a reality, Senator, I think...

The Chairman: Yes, we will come to that.

Mr. Saxe: The only thing I can respond to that is that I think that one of the most obscene things in Canadian life is life insurance. And that there are many levels on which life insurance is very interesting in an equal society and of course, Senator Beaubien is a director of The Empire Life Insurance Company.

Senator Beaubien: Empire.

Mr. Saxe: That was a Freudian slip. I think that obscenity...

Senator Beaubien: What is obscene about a life insurance policy?

Mr. Scott: What is obscene about the cartoon?

Senator Beaubien: It is disgusting.

Mr. Scott: We will come right down to it again, sir. It is my personal opinion...

Senator Beaubien: To me it is just disgusting. If I am walking down the street and I see something disgusting on the sidewalk, I would want somebody to arrest him. You would not want him to go around doing that thing every day, would you?

The Chairman: Well, if I can just bring the conversation back into some kind of perspective and ask a couple of questions which relate to things you said, Mr. Saxe.

Would the advertising bureau which you are in the process of setting up decline national advertising from a life insurance company?

Mr. Saxe: No, the advertising bureau would not. The advertising bureau plainly is going to be completely independent of the C.U.J. decisions on that level.

However, in the individual student newspaper, under the terms of the contract will specifically be allowed to inform the national co-op that there are areas of advertising which they will not accept.

If the top national offices from its conferences could definitely encourage student newspapers to inform the co-op they would not be interested in life insurance advertisements.

At the present moment in general the student press is declining national advertising that has discrimination and one of the new forms of that is sexual discrimination by the Bell Telephone, I believe. I would not want to say for sure, but I believe Bell Telephone is one company that applies sexual discrimination; i.e., they have male only or female only applications. And these ads are starting to be turned down more and more by the student press.

Other ways, as a matter of fact, that we have dealt with objectionable ads which have been dealt with much more commonly by the student press is what has been referred to as a blue graded ad. The ad is placed in the space which is purchased and immediately beside it is placed editorial comment of one kind or another.

Mr. Fortier: Europe encourages male telephone operators and in Canada and the United States we have female telephone operators. There must have been some thought that has gone behind that.

Mr. Saxe: Looking around it may be the rampant male...

The Chairman: Well yes, I have some questions too, but you go first, Mr. Fortier.

Mr. Fortier: What upset me about what Mr. Scarth had to say was the fact that the university printing press—took the decision and refused to allow publication of the cartoon. That is the aspect that troubles me.

The question I ask of you is: have you not considered doing what other student newspapers have done, so I am informed, in Canada, and that is to change printers?

Mr. Scarth: Most papers are printed privately. Number one, that is not what upset me. What upset me was the administration saying this cartoon was demeaning the image of the University and therefore it will not be published.

Mr. Fortier: We are really saying the same thing.

Mr. Scarth: Yes. The personal decision of the Budgeting Services Co-ordinator did not really upset me. The fact was we could not get an appeal board.

Number two: *The Gateway* is probably the best printed paper in Canada, the cleanest when it comes to type and style and format. Now, I do not want to lose that so I am not prepared to change printers on that level.

The second level I am not prepared to change printers on is that the University press should be the freest in Edmonton. That is the rationale. They have suggested we change printers, but we will not.

Mr. Fortier: Who has suggested?

Mr. Scarth: The Vice-President. He has said it is getting to the point where we no longer want the *Gateway's* business.

The Chairman: The Vice-President of the University?

Mr. Scarth: Yes.

Senator Hays: The fact that you are not able to publish this as editor and they have taken this freedom away from you, are you considering resigning as editor?

Mr. Scarth: It has been considered but we have not gone through the final appeal to the Board of Governors.

Senator Hays: But you will probably resign if you are not permitted to do what you wished, as you said earlier.

Mr. Scarth: At this stage I am not that concerned about the cartoon. At this stage there are five months left in the year and it would not do me any good to resign. No, I will not resign.

The Chairman: Mr. Fortier, you were putting the questions to Mr. Scarth.

Mr. Fortier: I was, Mr. Chairman. Whose taste should prevail within the pyramid of the student newspaper when it comes to the publication of news stories, the writing of editorials, the publication of cartoons and small ads?

Mr. Scarth: Ideally the staffs.

Mr. Fortier: How does it work in fact on your newspaper?

Mr. Scarth: In fact, in my newspaper a basic comes down to the smaller editorial board. Maybe I can clarify on what level this occurs. The editorials of the *Gateway* are labelled with my name. In other words, that is my opinion. It comes under the editorial column.

Mr. Fortier: They are signed.

Mr. Scarth: They are signed. Should the *Gateway* see an issue that is important enough to have a staff editorial, it would say "Gateway Editorial" at the top.

This is now the taste prevails in that section. Usually I have the final say on most of what was in the report. The only basic change is in taste and what you do in editing.

Mr. Fortier: I do not know of any English daily newspaper in Canada where editorials are signed. On the other hand, as you are probably aware, most editorials in French daily newspapers are signed by the editorial writer.

Why is that and more specifically why is it that in your newspaper, published in English-speaking Canada, do you sign your editorials?

Mr. Scarth: Well, I do not represent that paper entirely as editor-in-chief. It is my personal opinion. I do not feel I have the right to say that the entire staff of the *Gateway* has this point of view.

However, on an issue that is very important we will take an editorial position and possibly will hand it around to the staff or have it read out as we did just last week. That is the reason.

The Chairman: Mr. Villeneuve, I think, has a supplementary question.

Mr. Villeneuve: It is on the same point, Mr. Chairman. I would like to point out that it is not a question of taste, "whose taste should prevail". I do not think that the question can be asked in that way. In fact, it is a question of finding out who is responsible. I think that the best solution to appear, at least in Ameri-

can student newspapers of any size, was the creation of a separate corporation to manage the newspaper. Then the student association, or the university, can finance a part of the newspaper, but it cannot have direct control over the newspaper's content, other than appointing a new staff after a year, and this is done at a general meeting, or after a year, and withdrawing the funds that it had granted to the newspaper. I think that insofar as the student newspaper is to a certain extent financially independent at least in its daily action, then at that time, the internal responsibility of the newspaper can be ensured in some cases by the editor-in-chief, and in other cases, by the production staff itself. All depends on the internal working methods of each newspaper, and I think that each of these two methods can be defended very well.

Mr. Fortier: Mr. Villeneuve, if I understand what I gathered from what Mr. Scarth said a while ago, it is not the student body, the council that had refused the publication, that had not authorized the publication of the cartoon in question, but rather the administration of the university. I believe that the problem is not the same.

Mr. Villeneuve: I think that the environments are entirely different because in so far as our university is concerned, the administration might do the same thing. It was not only a general strike, but we would have closed our doors, and even people within the administration would have been the first to protest. Because, actually, the character of taste or the prime responsibility of a student newspaper is not to be part and parcel of a university, but to be a student group that, in a given environment, is called upon to look at events and things, and to play the role of all-dispenser. It is not guardian of the values upheld by the university administration, and I do not see how a university administration should in any way censure where the editing of a newspaper is concerned.

Mr. Fortier: Along this same line, Mr. Villeneuve, do you believe that the student body at Laval or at the University of Montreal is suffering at present from the fact that there is no exclusively student newspaper?

Mr. Villeneuve: Yes, I think that it is suffering. I think that the ideal solution, from the university's point of view, is what McGill adopted; in other words, by creating a field for competitive action by permitting the administration, the university, or other components, employees or administrators, to express

their point of view in a newspaper which is not a student newspaper, strictly speaking. But, because there is not this tandem—a student newspaper and administration mouthpiece—then, at the end of the line, at the very least, there is not only a single point of view which comes through, but a lack of information, in view of the fact that our value system, the university's, is not the same as the students'.

Mr. Fortier: Do you believe that this vacuum is going to be filled at Laval and the University of Montreal in the near future?

Mr. Villeneuve: I do not think so...

Mr. Fortier: Do you believe that this gap in this vacuum at the University of Montreal and at Laval is going to be filled in the near future?

Mr. Villeneuve: No, because there will not be, even in the not too near future, a constituted student body. The University Students Council, in our university, is in actual fact dead, and I think, has been dead for a good number of years.

Mr. Fortier: Would you, if you would kindly do so, try to explain why this phenomenon has been experienced with French-Canadian universities, in recent times, and why it has not yet reached English Canadian universities?

Mr. Villeneuve: Let us say that—and I will do so at this question rather personally. I believe that the French Canadian environment is much more politicized, at least on the university level, than is the Anglo-Saxon environment and that as a result, certain events will happen, and I am sure of it, in the next five or ten years, in the English environment which are already happening among us. I have witnessed a phenomenon which can be divided into four phases.

Phase 1: There used to be a strong student association which provided the student body with services: co-operatives, student newspaper, and other similar services, even collective life insurance.

The fact remains, hand in hand with this, there developed a feeling that this student body could not represent within a strong executive, namely a group of elected persons, the various ideologies that were observed on the campus. They were minority ideologies, but the fact remains that their proliferation made these different ideologies, at the very

least, a force equal to the dominant ideology. They no longer wanted a student association which was a services association, strictly speaking. They wanted to change the student association and, at the same time, the newspaper which was one of the services, into an association which actually has a political role to play in the environment, in the internal policy of the university, and in external policy; that is, events which, directly or indirectly, influence life in the university environment. At that moment, as the third step, here was a test of strength among all those ideologies which leads to, what I call, the fourth step where everyone represents only himself, and where, actually, people who have common goals, join together in small work units, each to promote their goal.

Mr. Fortier: Is the circle going to close?

Mr. Villeneuve: Personally, I think that, as the fifth step, we are going to witness a proliferation of posters, or media which are less rich, less profitable economically, and as the sixth step, eventually the university will integrate more into the society strictly speaking. This is through existing communications media at the level of society in general, or in any case, as a first step, of an underground press, and afterwards, at the level of present communications media, that the students will manage to express themselves. The student newspaper, relates, in my opinion, much more to that small college, closed-environment mentality, and it is going to develop into an instrument which has an influence outside the university.

Mr. Fortier: Has this increased politicization of the student body at Laval and at the University of Montreal, been effective on the municipal level, or on the provincial level, or even on the federal level?

Mr. Villeneuve: I think your question is quite difficult. Let us say that on the municipal level, I think so. I think that the phenomenon of the urban community, in Quebec, for example, where the development of the municipal structure is somewhat due to the increasingly effective integration of students in society.

On the provincial level, I think that a new political force is emerging. Whatever the membership in parties may be, there actually is participation which is less obvious than it was when we had the Student Liberal Club, or the club of any other student group which, actually, is just as effective, I think.

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On the federal level, let us say that the question is quite perplexing, in view of the fact that there are three major political trends, in my opinion, in the student environment. There are some who are federalists; others are separatists. There is a third trend which makes fun, at any cost, of the first two, and they are the radicals.

The Chairman: Mr. Thomas and then Mr. Saxe.

Mr. Thomas: Yes. Mr. Chairman, I would like to make some comment about this business of taste and whether there should or should not be some restriction to the editorial interests of some campus publications. I think this has to be related to what is happening in the university and it is directly related to discussions about the nature of the university that seems to be taking place on a lot of campuses, particularly at McGill.

I think that whereas McGill three years ago sanctioned or—not sanctioned—but took administrative action against the editors of the *McGill Daily* for the running of a particular article that was deemed by the Disciplinary Committee as being obscene, this would not take place today. I just have a feeling about this because I think that the University has moved so far in a short period of time in the direction of exploring all areas of human activity, that there is really no sacred ground. Although maybe an editor might get in difficulty on McGill campus right now, I think the risk of that is much less now than it was a while ago.

Maybe student groups or faculty groups would get upset and make petitions, and this type of thing, but I think the University administration would be much more reluctant now than it was earlier to take the same kind of action that it did in the Allnutt-Fekete affair.

My own view is that I think that a campus publication which functions in an environment that does discuss and consider the kind of area and the kind of things that Senator Beaubien was upset about, is just a part of campus life. There are forces on eroticism and there are films; there are teach-ins—all these things; the Underground papers come on to the campus. There are lectures. There are so many forms now that are available to the students and to the faculty to explore the most obscure and what the public outside would consider to be obscene or in bad taste. I think this has become so much a part of campus life now and the attitude of the stu-

dents—even the freshmen students that come in, their sensibilities and their sensitivities are so developed as to accept this as just a normal part of the...

The Chairman: Do you feel they accept this, Mr. Thomas?

Mr. Thomas: Yes.

The Chairman: Carry on. I am sorry I interrupted you.

Mr. Thomas: No, I think it is and that is the point I wanted to make.

The Chairman: All right, thank you, Mr. Thomas.

Now, Mr. Saxe, you wanted to say something?

Mr. Saxe: Well, just further to what you gentlemen have said, I think the first visible signs of very much the same process—I would not agree with the exact way he described that process, but it is very much the same process as was visible in English Canada.

I think at one level the decline of the Canadian unions of students and its eventual abolishment points to what identifies the central problem.

There are many student unions in English-speaking Canada at the present moment that are talking about self-abolition. There are a few campuses that, for different reasons, are without councils and are without student union councils for special reasons.

I think what can be seen happening there, once again using the short form of rhetoric, is that for the student newspapers it may start happening—or at least to papers that I would like to call student newspapers—I think to an extent it has happened.

I think the student unions and the student newspapers are presently being run by active, aware, concerned individuals.

Senator Hays: Would you call these the elite of the universities; the people who run the newspapers?

Mr. Saxe: Well, it depends on what basis we were judging for "elite". I think they are probably...

Senator Hays: The students would judge the newspaper.

Mr. Saxe: I think there certainly will be some basis for saying that, especially when there tends to be their function to lead or when they can appear as leaders.

I do not think the ones I would feel most comradeship for are approached in some strong way as elite, because I think the kind of work they do stems more among the students they are trying to talk to and the things they read about and then they can take right to the students much more.

I think the same sort of dynamic is being seen and I think the cause of the dynamic is the satisfaction for the efforts that are being made by these people. The only legitimate response to them comes in extra-parliamentary forms.

It is impossible for the real demands that these people are making and for the answers to real questions and problems that they are raising to be satisfied through the existing channels of the present society and that includes the channels of university campus.

Probably my strongest disagreement with the gentleman from Laval University is that he made statements like "The university moving closer to society". The universities which I am aware, are so intangibly tied in their present society that no separation can possibly be seen except at the methodological level. Certainly any real union is one and the same as society. There is no separation possible, and the channels of that university are the same kind of channels, with certain modifications, only because of the fact that you are dealing with a university instead of corporate enterprise turning out a consumer product with a visible useful thing like glass. They are turning out a consumer product called "a student", and there is a slight difference in cause there; but they are still the same kind of channels except you have just added the satisfaction that these problems can only be reached in some pragmatic way.

The literal consensus of the student newspaper, is the structure—the structure of the student press is the literal consensus.

That is why the problem that Senator Hays raised: "At what point would you consider yourself tied into the decisions of the students" and "To what degree are you disturbed by the reaction of what they want" is a very crucial problem for these people. To the degree the student press is in the hands of a small vociferous minority, they are in contradiction with the construction of the student press—i.e., that it is being paid for by the students, et cetera, et cetera.

That contradiction has eventually to resolve itself. In some ways since that contradiction is in fact a contradiction to what they are trying to accomplish—a change in a non-elitist way—i.e., at some point that contradiction becomes too much for the papers, and the activists, aware, concerned students, give up the Student Council and the student press. Many times in doing that they destroy it, or destroy it by leaving it a shell which cannot continue in any real way in which case it only partially exists by any standards, as has been happening in some cases. Or they destroy it by leaving it so it is unable to continue in any form simply because there is no one left who wants to be bothered running it.

The Chairman: I think Mr. Chenoweth wanted to add something.

Mr. Chenoweth: I wanted to add a number of statements.

The difficulty, of course, we are reaching here is the fact that the student press is a political press and we are getting into varying forms of political retort, political points of view.

The *McGill Daily* stands out, I think, now as the exception to the Canadian norm. I do not think anybody will argue that, whether it is a good or bad exception.

Mr. Saxe: You are afraid.

Mr. Chenoweth: Well, we have a certain direction. I would like to reply to the statements made of the *McGill Daily* stating it has regrettably fallen into the hands of those who could not be insulted if we referred to them as moderates and that in this regard it is a retrogression.

Mr. Saxe: It is certainly a retrogression but only in terms of the Canadian liberal consensus of student press.

Mr. Chenoweth: Perchance I do not agree is contradiction mentioned by Mr. Saxe is correct. There have been a number of comments directed toward the *McGill Daily* and before I sum them up, I want to deal with this.

I have been cast by myself as a hide-bound reactionary, which is a fairly common aspersions around here, but I just want to say something firstly to Mr. Scott.

Mr. Scott got very nasty about the fact that I had charged the student press with abrogating its responsibilities in terms of being

political. I do not know whether they abrogate their responsibility by being political. I support the political press. I support the critical press. The *McGill Daily* should be more so. We are too innocuous. What I said was and what I meant was they abrogate their responsibility by their format which has created ineffectiveness.

The student press has been particularly ineffective in discharging their obligations. This is where I come down to consider Mr. Saxe's contradiction.

I think there are too many members of the student press who in their polarization, desire too many things to come too quickly and use the wrong means. They try to hit the campus over the head with a hammer for years and have turned on their audience.

Mr. Thomas said the *McGill Daily* was much more interesting and much more read. Although I would argue that it was read—it was more interesting.

The question is: What did the *McGill Daily* achieve? What did it ever set out to achieve in three years of radicalization? My answer would be "Basically nothing". They were remarkably unproductive years. In my opinion this one year on the campus has seen more achieved in the general campus environment, whether we were responsible for it or not is irrelevant, than the *McGill Daily* and its cohort achieved in the three years in the past.

I think they were remarkably unsuccessful and in fact destroyed themselves. Those that I would call the cohorts of the campus left. Whether Mr. Saxe says it is because these people got out—I would say they left *McGill* which is formally classed. There is no strong left wing organization in *McGill* which is because they have totally destroyed themselves by overpossession, overpolarization and by overpublication. The campus was turned off and sick.

Whether I agree with their political aims or not is irrelevant. I am just saying their motives were particularly ineffective. They did neither the campus any good nor the rest of Canada any good.

One of the reasons we are innocuous is because we are trying to rebuild the credibility gap and in this you have to be innocuous. Secondly, when the staff quit, the entire staff, these dedicated men, to the change of society—when Mr. Wilson was fired, the entire staff quit, leaving me to reform this entire newspaper staff—a daily newspaper staff with a budget of \$102,000, with only two people in

general news with any professional experience and with only another two people with any technical experience. In other words, when we needed a functioning staff of 50, we functioned for about three weeks with four people who were living there day and night.

Well, if this is devotion or dedication of any form—I am not saying it is, but this is what we were left with.

O.K. We are innocuous this year. We are innocuous because we were forced into being innocuous because those who want to be critical are at the same time saying "We are not doing it for you".

We are a daily paper. We are not being critical of the rest of the papers simply because we have a day-to-day news protection which, because of staff members, we just cannot fulfil. We cannot produce a daily newspaper and at the same time go and research things in depth because those who have an awareness in certain areas or generally fall within a campus group have decided for various reasons they don't want to work us and our source of material is highly cut off.

Now, what can we do to get them back? We have deliberately attempted to try and get as much as we can. We will print anything from anybody on which some of these former members may decide to come back; we have given them editorial independence basically in overtly political supplements. It is called the *Political Supplement of the McGill Daily*. It deals totally with political affairs.

We are trying to re-achieve some sort of critical analysis. The fact we do not have critical analysis is not really our fault.

They were ineffective because they destroyed themselves through an over-use of retort. And pointless; and this is the trouble with the university Press; not that it is too political but mainly that it is ineffective.

The Chairman: Thank you.

May I say Mr. Fortier has his hand up. I may say to Mr. Russell, whom I promised could speak, we live in a real world.

I said we would adjourn at one o'clock. I think what I will do—I will allow Mr. Russell to say what he wants to say and then Mr. Fortier, I am going to adjourn until 2.30 p.m.

Mr. Fortier: I think, Mr. Chairman, that we are all familiar with that poem.

I think we will listen to Mr. Russell and then we will adjourn.

Mr. Russell: Basically what I wanted to say was in view of the fact we are adjourning, I was wondering if I could pick it up at 2.30 p.m.

The Chairman: Fine. We will adjourn now and we will reconvene at 2.30 p.m. We will begin by picking up the discussion of the Student Press and gradually get into the mass media.

The Committee adjourned to 2.30 p.m.

Upon resuming at 2.30 p.m.

The Chairman: Honourable senators, before we had adjourned this morning, I had promised Mr. Russell a few moments to make an opening statement. I believe Mr. Russell you may proceed with that now if you wish.

Mr. Russell: Thank you, Mr. Chairman.

Since this afternoon's hearing was to be devoted to the relationship between the student press and the commercial media, this is in part intended as a position that the Canadian University Press has attempted to work out within the student press. It is also in part in answer to Mr. Chenoweth—just before we left. I agree with a lot he had to say on behalf of the student press and it is an attempt to integrate that also—in this statement. For approximately the last three years member papers of the Canadian University Press have been concerned with the fact that they do not perceive themselves in fulfilling the same roles as the commercial media in the country, or at least felt distaste for what they have seen in what the commercial media in Canada were doing. C.U.P. conferences and interpaper communications and a great deal of discussion have gone into the specificity of that critique.

Now, unfortunately, it is going to be a little bit abstract. Not only unfortunately, but understandably because the way the critique of this system operates, a critique of this nature has to be abstract because it surrounds the nature of the press—not only the commercial press, but the student press, all forms of media in this country. What it has to do with, basically, is the fact that there has never been established a unified theory of the nature of communications media of any sort whatsoever. What is the function of the media and how they fill that interpreter for in terms of the effort that goes into it and the social structures within which the communications takes place.

Now, the only attempt that appears to have been made appears to be the effort of Marshall McLuhan which has been seized upon particularly by the newspaper media because I think it declares the newspaper obsolete. I think a great deal of the attention given to McLuhan has to do with the statement made by a man by the name of Antonio Gramsci who was on the Committee of the Italian Communist Party until he was assassinated by the Nazis during the Second World War. He stated, in effect, that in the public mind intellectuals in our society are seen by writers, men of letters and philosophers, and since journalists consider themselves to be writers, philosophers and men of letters, they also consider themselves to be intellectuals.

A great deal of the complacency that has arisen over the fundamental question has not been asked by this Commission, or by the press itself. This is in regard to what constitutes a communications theory. On what basis are we proceeding? What are communications? It is roughly defined as the duty of the media to relate reality of the on-growing process of the society to the people to whom you are communicating.

Now, it seems to me that it is readily apparent that the media in approaching this question has missed the initial part of this question; that is, what is the nature of the on-going societal process? It seems evident that it is not in fact treated as a process at all, that in fact communications theory in this country—and I would venture further than that and say, communications theory in a capitalist society—is bound to locate itself in a framework of empiricism which precludes the inter-conductivity of events. That is the same basis upon which the media operates in this country.

Mr. Fortier: On a point of information, Mr. Chairman, what is that in English, Mr. Russell?

The Chairman: Carry on, please.

Mr. Russell: In not begging this question or in begging this question about what constitutes the normal process of day-to-day events in the society, proceeding on the assumption that that process is comic, the function of the media has changed from being one of communicating to one of systems and maintenance. That is, that the normal day-to-day operations of the press in Canada could be described as a selected misdirection of the people who form its constituency.

Senator Beaubien: Why misdirection?

Mr. Russell: I am coming to that.

Mr. Stewart Saxe, President, Canadian University Press: I think this should be heard as a whole.

The Chairman: All right, we are listening.

Mr. Russell: Instead, the media in Canada depicts the on-going process of reality in such a way as to be organizationally functional for one group in the society and organizationally disfunctional for other groups in that society. That is, the way in which the world is presented to people is such that they cannot comprehend the connection between events in their own lives. They do not see reality as forming any kind of continuum.

This is also something of which the student press is completely guilty. It is one of the contentions of this that this is a problem that underlines the structure of media—the way in which they attempt to relate reality to a constituency but with a specific difference. Now, the way that this misdirection operates is in terms of pre-realities, as a series of quantified and atomic events. We talk about the American ownership of Canadian industry and the American influence in the Canadian universities rather than talking about American imperialism as an empirical term that defines a total process which is totally interconnected and totally penetrating and links those events together.

We talk about pollution of various kinds rather than the fact that the basis of pollution is a specific relation between man and his environment which is conditioned by specific social relations particular to specific forms of society, such as a capitalist society.

We talk about the problems of Keynesian economics under the guise of a totally fetishized concept of economics or the budget rather than talking about the contradictions of capitalistic economy upon which Keynes based his theory that these fundamental contradictions could be mediated to some extent.

We talk about the problems of group ownership of portions of the media rather than the fact that sociologically there is a hegemonic control as a means of mental production in communications by society, by class.

We see the violence in the streets of Quebec rather than attempting to transmit the interconnection to the psychopathology of oppression which triggers that violence. It is only on the classes levels—on a level which this Commission has been investigating that we come

to the fact—that we come to the reality of *Newsweek*, where one day the *Toronto Star* are talking about Biafrans and the next day after the war is over they talk about the Ibos. Every day that a stranded oil tanker, which is owned by Aristotle Onassis and leased by one of the many branches of Standard Oil, is polluting Chedabucto Bay this is referred to as a Liberian tanker.

All of this proceeds from the fundamental assumption that there is no interconductivity of events. Now, it is the contention of this critique that it is reproduced functionally in the very form of the news media itself. That is, for instance, in a newspaper you can have a gigantic exposé of corruption and graft or whatever in the government on one page which will attract a lot of attention and which is forthrightly exposed and well laid out and everything else, but when you turn the page you are talking about the Women's Section. I mean, there is no connection between those events even though there is an attempt to break down the ordinary productive approach to journalism into what has been called the objective approach to journalism, which in itself, in its very form, tends to treat every event as a discovery. That is, there is no such thing as an on-going protest. The classic sort of example is Mr. Boyce Richardson fighting for the *Montreal Star* which was done by bourgeois standards and has been one of the most hard hitting jobs of covering pollution in Quebec. The unfortunate thing about Boyce Richardson's articles is that implicit in them is that pollution is a discovery. The truth of the matter is, that in the process that is involved in our society and the information between people and their environment, that pollution happens all of the time. Pollution in fact is one of the by-products of the social arrangements of production in the society. No matter how well Boyce Richardson writes that, you have to write each case separately and in doing so he creates the false impression that there is no interconductivity between those events.

Now, it poses a crisis for the press—the student press as well as the commercial press, but it really isn't a crisis for the commercial press. The reason that it isn't is because this problem involved in not having a communications theory is functional to the secondary role of the press which is owned by members of the same classes as the people who sit on this Commission. The systems maintenance in the system—that is, it is dysfunctional to the maintenance of the system; that the people

understand the fact that there is an interconnectivity between events. That underlies the ideology of the newspapers rather than the quibblings over the form which you are concerned with to a certain extent by the *Daily Gazette*—are both the same in view of the unified approach to communications theory. This is precisely why I agree with Mr. David Chenoweth, even though I totally disagree that *The Daily* is representative of the student papers in Canada and that *The Daily* is in fact as representative as any paper can be.

The difference comes in for C.U.P. in that it is not totally integral to our interests—to our relative autonomy due to the ambiguous class position of students in a modern unicapitalist society—that we maintain this functionality of this systems maintenance operation as a portion of our activities. So that in the last three or four years C.U.P. have been talking about the concept of an alternative press.

We have been very unsuccessful. Mr. David Chenoweth's criticism of the student press has in the main been very good. As a matter of fact, the criticism is such that I would have liked to have made it myself a lot of the time. However, rather than operating out of zero-sum logic which states that if that alternative had been unsuccessful we would flip back to what the *Daily* has referred to as an anti-dialectic approach to journalism which often hides sycophancy.

The question is, is that a critique of what the student press has done or is it rather a specific critique of the educational system in which people attempt to come to grips with their problems specifically on a very abstract level of critique, of the kind of logical positivism that is totally inherent in every social logical method, every social science method that we come across? More specifically, is it rather an indication of the totality of the ideological beginning of one class in society rather than the question being that an alternative press has been irresponsible? The question is that the only way in which the question of communicating the reality of the world so people can be approached is a specific one of opposition.

Now, the reason for lining it up this way is to bring it back close to where Mr. Saeed started at the beginning of this session this morning, which was conveniently specifically ignored through the rest of the session, by calling for a press in the hands of the radical minority. Now, I agree with him, but not on any moral grounds. It is simply in posing the question as to how do we break down some-

thing that seems to be structurally inherent in the media under capitalism, or how do we even begin that process?

Now, there have been others—there is another specific aspect of it which has to do with the operation of this Commission. The Commission is not concentrating on content and the total relations of content, because the media naturally from the specific disjuncture in their form—tend to concentrate on form and call it content and thus we have the list of examples that I gave. We have a Senate Commission which rather than examining communications theories as a starting point, begin by examining, as I say, from an implicit position of pluralism, contrary to interest groups who own the media and who only meet over their other board chairmen, as Ron tried to point out earlier in the session. That is part of the reason why—as I look around this room I notice that a lot of the people are not comprehending the jargon I am using.

Senator Beaubien: Would you please say it in English?

Mr. Russell: The people in this room form precisely a portion of that working class, which also forms the people who control the media. There is a specific difference. Karl Marx succinctly pointed out the ideology that the sociology of the ruling class formed the capitalistic formation—those people who form the actuality of the ruling class—that is the people whose names appear in this book—some of whom are in this room and some of whom are not.

The Chairman: Some of whom are not on the Committee?

Mr. Russell: Some of them are not on the Committee, but it is possible that some of them are within the sociology of the ruling class which delegate their intellectual functions to a hierarchy of minions to perform this intellectual function for them. That is, part of the difficulty that the daily newspapers have coming to grips with this is that, in terms of the class position and the people in it, it is impossible for you to come close to some of these functions because of your class position. Again, you have never had to think. The system as it works for you has the implicit assumption and consequently any understanding of it in its totality is dysfunctional for you.

The Chairman: Is that basically the statement that you wanted to make?

Mr. Russell: Yes.

The Chairman: Fine.

Mr. Fortier: I would like to direct a question to Mr. Russell. Trying to come to grips with practicalities, Mr. Russell—the ideal press that you have alluded to—is this pure Utopia today or is there a country in the world where this ideal press exists?

Mr. Thompson: Well, one should talk about Russia. Russia isn't as bad.

The Chairman: Now Mr. Thompson, if you would like to comment you are certainly free to, but the question was put to Mr. Russell. Would you like to put it to Mr. Thompson?

Mr. Fortier: Well, no, because this isn't the question that I was asking.

Mr. Russell: Well, I don't think it is an ideal press. I think it is a combination of American imperialism and Russian social chauvinism in their social formation that precluded even beginning to come close to the question. It is not an ideal press at all because basically in communications theory...

Mr. Fortier: Is there a country in the world where in your opinion this communications theory has been comprehended and has been translated into a medium, written or electronic, which reaches the people?

Mr. Russell: I don't think specifically so although there are some interesting journalistic approaches being done.

Mr. Fortier: And what would those be?

Mr. Russell: In terms of assessing the ideological function of a paper in a society which is not based on class antagonisms. That is, a society in which the material editions, before even beginning to approach that communications theory, are beginning to coerce.

Mr. Fortier: Is it your view that as long as we have the struggle of classes as we know it in Canada and the United States that we do not have communications theory to any effect?

Mr. Russell: Better expressed it might be as your class is smashed a potentiality for that communications theory emerges and grows greater.

Mr. Fortier: Well, would the class be smashed by the press electronic or written?

Mr. Russell: No. I think the ordinary people will.

The Chairman: May I put the same question to Mr. Thompson? I think he wanted to comment and we would be interested to hear from him.

Mr. Thompson: Well, my thinking on the question is that somehow it is irrelevant because...

Mr. Fortier: Well, I didn't say that about Mr. Russell's comments.

Mr. Thompson: Well, that might be so.

Mr. Russell: Well, that is because they weren't.

Mr. Fortier: Exactly, I didn't say it. I don't think the questions which emanate from the Committee, Mr. Thompson...

Mr. Thompson: Well, I was just saying that I thought it was irrelevant.

The Chairman: Well, I will have to exercise my prerogative as Chairman. If Mr. Thompson wishes to suggest that the question is irrelevant, that is up to him. Now, let us go on from there.

Mr. Thompson: Irrelevant in practicality of the matter because it isn't a matter of finding a model of someone else that we could translate this situation to.

Mr. Fortier: Well, it may be very helpful to this Committee.

Mr. Thompson: Well, I think perhaps that probably wherever we would find such a model of an "ideal press" that press would be in an entirely different social structure.

The Chairman: Now, Mr. Thompson, I think you are evading the question. Mr. Fortier asked if there is one, if there is such a model, and you said it is irrelevant. Now, you are going on as to whether or not it exists.

Mr. Thompson: No. I am saying that a press—if such a press was developing in this situation—if you want to talk about that—would only develop as a process. It would be part of the development of that press and the working toward that would be at the same time the working to smash the social relationships such as are perpetuated in the press which we have now.

Mr. Russell: Well, further to that, I think it is indicative to say of the process that we are

after that the Special Senate Committee on Mass Media begins with the same vague assumptions as the press itself concerning the nature of the press's job. That is, that the question of what constitutes communications and what constitutes a communications theory in so far as my knowledge goes—and I have been following the Committee hearings...

The Chairman: Where have you been following them?

Mr. Russell: I have been following them in the press.

The Chairman: Which newspapers?

Mr. Russell: About six of them, I would say.

The Chairman: Fine.

Senator Hays: May I ask a question?

The Chairman: Well, I was going to ask Mr. Saxe a question, but certainly you may, Senator Hays.

Senator Hays: In your position why do you not publish a paper that you believe would be ideal or are you moving in that direction?

The Chairman: Do you mean a daily newspaper?

Senator Hays: Yes.

The Chairman: Fine.

Senator Hays: I mean you are students of university and you have the power and you have all of the things, why don't you produce a paper?

Mr. Russell: Well, basically what I have been saying is that there have been attempts albeit unsuccessful as far as the student press to try and begin to relate some of the contradictions which people have observed and which are objectively there. I think they have also been unsuccessful because of the way they have been approached. For instance, we only had been talking about it in terms of field theory—only been talking about it in terms of field theory for three months—three months ago, and I hope it is a process that will continue to go on because implicit in it is the fact that the development of a unified communications theory for the press, or whatever the description, it is totally inseparable to the fact that your farm in the middle of Calgary shouldn't have been sold to the

City of Calgary for a lot of money so that through that process you could become a Senator.

Senator Hays: Well, if you had owned it what would you have done with it?

Mr. Russell: Become a Senator.

The Chairman: Mr. Saxe, I would like to ask you a question here. Relating back to your comments this morning, why do you think that I proposed this committee and why do you think the Senate acceded to the request?

Mr. Saxe: Well, I am not sure that that kind of question would be relevant, Senator.

The Chairman: Well, its relevancy is to a comment you made in your opening statement this morning.

Mr. Saxe: To an extent the answer to that would be irrelevant because you are referring to a specific model within a certain process and you are liable to take a small part of what I say and identify that as an inaccuracy. Well, that again may be indeed true, but I think you must take a broader look of what I think the motivations are behind this Committee and the work you are engaged in. I would be surprised if this Committee did not at some point in some way involve itself in the process that I imagine is just beginning seize part of K.C. Irving's empire. I don't mean to suggest that because you have the power you are going to do that, but it is going to be involved in a process which sees that it does.

I also imagine that it is going to be involved in a process which is going to see the establishment of a press council in Canada. Once again it is not going to do that, but it will send out, I imagine, very large volumes of blanket information, data and interviews and reports out of which those two things will come. The specifics of exactly how those two things come about, are probably irrelevant. I think at the present moment the system wants both of them, but one thing—K.C. Irving has been presenting a definite thorn in the side of Premier Robit- haud and the present Government in power federally, and the present Government in power provincially in K. C. Irving's province, and has a number of connections in specific ways. I think that that process then initiates some ways that that can be done. I also think, there being a real world and the contradictions we have talked about between

the press and what is happening in the world, and the fact that there are people who are getting upset, that it means some of that is feeding back. I can remember certainly at the beginning of the establishment of this Commission that there were things appearing in the media—and certainly things we have talked about—by the people that they were unhappy with the press. I think that the ruling elite's response to that mystifies us. They say "Yes, you are right, there are some things"...

The Chairman: Am I part of the ruling elite, Mr. Saxe?

Mr. Saxe: Yes sir, most definitely. As a matter of fact, probably to make it more clear so that those words will not be as unfair as they might seem, would be to say the ruling class.

The Chairman: But not the elite?

Mr. Saxe: The ruling class.

Mr. Thomson: Does this have anything to do with anyone's point of view?

The Chairman: Carry on.

Mr. Saxe: You are not on the board. You are President of what—Keith Davey Ltd?—We certainly owe you an apology for that.

The Chairman: It is certainly not necessary, I can assure you.

Mr. Saxe: It is not within the framework of the system. One of the things that we are trying to say is that this system has a process too. It doesn't proceed as a set of boxes from one box to the next box. The point of that is the fact that you don't have to get together with a group of people and say that under the circumstances it would help mystify the fact that there are problems with the press, so we set up a press council. That makes it look like the people have more access to that particular field of communications.

Also in view of some of the present problems we have, and all the talk, and all the objections to the K. C. Irving empire, you don't have to get together with a series of people and say that a few powers should be handed over to the other part of the ruling class. That happens as an integral part of the unity and rationale of this particular status quo.

The Chairman: Well, so I would like to understand—the system as you see it at least I would like to understand a little more.

Mr. Russell: There is a system and it is called capitalism.

The Chairman: That is fine. I am aware of that. Thank you. I am curious to know though—in other words, my decisions—I have said many times that the decision to propose this Committee to the Senate was my own and I am sure you would take my word for that. Are you suggesting that there was some subtle osmosis from on high?

Mr. Saxe: The fact of the matter what I was thinking about was the particular way in which these things get done. That is, that it is the Davey Commission or the Senate Special Committee to look at it that particular way and what does this particular way mean, and this is the mistake which is happening. The actual way or the way it was done is of no particular importance. The thing is it was going to be done somehow or other by the ruling class and...

The Chairman: So, if I had not made the proposal someone else would have?

Mr. Russell: That is right.

Mr. Saxe: Right.

Mr. Thompson: Done it without a commission.

The Chairman: All right. I think it is very important that we understand how you people look at things.

Senator Beaubien: I wanted to ask Mr. Russell—you keep talking, Mr. Russell, about two classes.

Mr. Russell: That is right.

Senator Beaubien: Are you born to a class, or do you gradually get into a class, or how do you get into these different classes?

Mr. Russell: Well, I am not sure I understand.

Senator Beaubien: Well, let me just say that if you wanted to take these 2,500 men who are the most influential in Canada, the big majority would have come from absolutely the back woods. They come from absolutely nothing.

Mr. Russell: Well, I don't really agree.

Senator Beaubien: Well, what do you mean really by the different classes?

Mr. Russell: You both belong to the same class.

The Chairman: You mean I belong to the same class as Senator Beaubien?

Mr. Russell: Right, right on.

Senator Beaubien: Well, how do they get into these classes?

Mr. Russell: It is just bad luck.

Senator Beaubien: Well, you realize that that is not an answer.

Mr. Russell: The fact that you are in this class is irrelevant to the fact that the different classes are generated out of the different circumstances in which you find...

Senator Beaubien: Now, you are not talking any kind of language I can understand. There was a great friend of mine who became President of one of the big companies here. His name is Jo Greene. He came from an Irish father who was drunk all the time and he worked like the devil to put himself through the University of Toronto by playing football and baseball professionally, and worked his head off and as a result he became part of the...

Mr. Russell: Part of the ruling class.

Senator Beaubien: Part of the ruling class. He worked hard and he got to the top by lot of hard work. What is wrong with that? Who would we get to run things?

Mr. Saxe: Well, there are the two classes.

Senator Beaubien: Well, we all start out the same way.

The Chairman: Mr. Saxe, go ahead, please.

Mr. Saxe: I think I could possibly say little bit having started from the wrong side.

Mr. Thompson: From the ruling class.

Mr. Saxe: I think, senator, the point is how they get to be there. I am willing to dispute the figures, but I think it can be shown, particularly today, that the ruling class maintains itself through its offspring to a very large extent. Certainly, Lord Thompson did not start off in the middle of the ruling class and there are definite examples of that. There was a higher degree, higher upward mobility between the wars and before the wars than there is today, but I imagine there is still a degree of mobility, but that is not the question.

tion. The question is, or has to do with the amount of guilt personally with the people in this room. While I think there are a number of people who suffer from guilt in this room, I don't say it is because...

Senator Beaubien: Just speak for yourself.

Mr. Saxe: Unfortunately to a degree I do speak for myself, but I am not in any way suggesting that maybe they are doing it with criminal intent. I am definitely suggesting that the results are criminal and, you see, that is one of the ways in which I think it is going to be very difficult for people to understand. What we are suggesting is a different way of living. We are suggesting that you have to take a look at the process in totality. That is, whoever the 250,000 are, or 25,000, there are only that many.

Senator Beaubien: But, Mr. Saxe, who runs it under your system? Everybody can't be running the country.

Mr. Thompson: There are two points, Senator Beaubien, and that is that it doesn't matter who is in the ruling class. The fact is that there is a ruling class. It is not a moral question whether there should be more people in the ruling class, or say that there can only be 20,000 that can get into the ruling class—that is not the question. The question is how such a system which has a ruling class who press people who are not members of the ruling class or people who work for a living—the people who do not own the means of production, and maybe you might want to bring up the point that workers are well paid out that...

Senator Beaubien: Well, this is a point.

Mr. Thompson: But I don't want to debate that. This very system—this system known as capitalism—capitalism operates for a profit or the benefit of the members of the ruling class. In doing that, it is a necessary by-product of mystification. They have to mystify that process so people don't think that way. The whole process is in fact such that the nature of the newspaper system results in the fact that they are under a capitalist-socialist system and the fact that there is pollution as a result of capitalism, and the fact that there is unemployment and poverty is renowned. Those are not strange words—they are not just abstract words that you have to understand. I think we can go back to the fact that you don't have to understand me. It is not in our interest to change the system. I don't think you have real questions about that.

Senator Beaubien: Well, I am wondering how you can run it through?

The Chairman: Well, Senator Beaubien, I am going to rule you out of order. The question has been asked several times and apparently you are not satisfied with the answer that Mr. Thompson has given. It is your privilege to be dissatisfied with the answer, Senator, but there are several people who have indicated that they would wish to answer.

Mr. Villeneuve has indicated that he would like to say something and I would like to call on him in just a moment or two. I don't mean to be rude to you, Senator Beaubien, but I noticed that you and Mr. Thompson in your discussion were gradually succeeding in only getting on each other's nerves.

Senator Beaubien: I realize that, Mr. Chairman, but all I was wondering was how or what would he do with this class?

The Chairman: Well, he has given his answer.

Mr. Russell: Well, what I would like to say...

The Chairman: Well Mr. Russell, I would like to move on—not miss this part of the discussion but just to move on. Mr. Villeneuve?

Mr. André Villeneuve, Editor, Au Fil Des Événements, Laval University: I should like to comment, Mr. President, on the statements of Mr. Russell. When he speaks of the absence of a communication theory at the level of the actually existing newspaper, I think that this is entirely wrong. Nobody is able to have a particular communication theory. In short, there is only one such theory. It is the socio-dynamic force of the culture in which every person is engaged, from the time that person is living in society. Then there are events that are conditions which are taken by creators in a micro-surrounding into a macro-surrounding; and this is done by whatever the means of communication that are present so that socio-dynamic force of the culture will exist. There remain two phenomena with respect to all that. Because we are discussing it in an abstract sense, I prefer to leave it like that, and in that manner we may be able to take a look at the problem. The two phenomena that may be observed are: the phenomena of distortions that slows down that socio-dynamic force of the culture and prevent the world from continuously enriching itself and the individuals

with it and the phenomena of acceleration. I believe that the one as well as the other may be as important. To wish to accelerate a communication process to a maximum extent, on behalf of some system or ideology, means to pervert the purpose, because from that time on, people, as to their personal memory, are unable to follow suit. To wish to slow it down, means as well to leave the people in a crass ignorance and to prevent the surrounding from developing. There will always be factors for a slow down and for an acceleration and they will not always be absorbed in some society, whether by a micro-surrounding, or by a group, which is called elite, or any other form it may happen to have. What must be assured in a society that is sound, is the control over the micro-surrounding, or the control over the slow down or the acceleration. Any person has the right to check it to some extent, and to express his opinion. A person must not only be able to express himself, but he must be able to collectively accelerate or slow down the movements. For the same reason that a government during a period of war will declare that certain information is of a confidential nature and will slow down the movement, for the same reason will another group, at a given time, wish to accelerate the process. This is what I wanted to get at the slow down process. But that may mean that we must change our discussion of this afternoon. By that I mean: the fact that several means of communication are controlled by financially important groups on a basis of profits and revenue, does that mean that the slow down factor is sufficiently controllable by a majority of the population within the social structures that we have? In other words, which form of control are we able to exercise? What right to check do we have? What is the efficiency of a Commission, such as yours, at the level of a possible control over these mechanisms of slow down and acceleration?

Mr. Fortier: We should like to hear your suggestions very much, after you have stated the problem in such an eloquent manner. What, according to you, are the slow down mechanisms, which the government might institute?

Mr. Villeneuve: Without having an exact solution, I think that there are solutions that deal much more with the level of control over the interest groups. I mean that preventing concentrations that are too strong at a given

time in a surrounding, or a given population, would prevent the control mechanisms from being effective.

Mr. Fortier: Do you sometimes read "La Presse"?

Mr. Villeneuve: Yes.

Mr. Fortier: I am going to ask you a more precise question. You are reading "La Presse"—you did read "La Presse" before Mr. Demarais and Mr. Francoeur, etc. became its owners. Do you believe that "La Presse" is reporting the events less objectively, generally speaking, that are commented upon in its editorial pages, today, than when compared with "La Presse" of yesterday?

Mr. Villeneuve: Let us say that, on a short term basis, the risks are not very high and on the basis of your precise question, I would say, no. I have seen no difference in "La Presse", or in "La Voix de l'Est", or in "La Nouvelliste", or in the "Power Corporation" interests, or Trans-Canada. It remains true that the risk becomes larger due to the permeability of the surroundings in certain cases. When there is an impermeability of the surrounding, (as in the case of Granby, which is rather far from the big centers) and when all the means of communications are controlled by the same company, in this case meaning the Trans-Canada company it is at that point on a medium term as well as a long term basis, that there is an evident risk of information distortion.

Mr. Fortier: Is that not what has been called before the Committee, "Raw Unadulterated Power", whether it is exercised or not? I return to the question you asked earlier and that is, how are we going to hold it in check? Do you believe that this is a social problem that must be attacked head on, or should we let this process of concentration develop itself indefinitely?

Mr. Villeneuve: With respect to solutions, I believe that the Committee has a bigger field than mine, and is better able to answer. However, I believe that there is more than one kind of answer. There is the kind concerning the control over the interests themselves, to prevent conglomerations and cartels, at a given time. There is also another kind that creates competitive areas, whether public or governmental the form does not matter much. There is quite a formal area or domain in which there can be an intervention. In which domain this would be preferable, I believe.

that that subject should be considered on a short term basis, whether the direct government intervention would be good from a medium or long term point of view. I would not wish to venture in that area.

Mr. Fortier: If, for instance, "Le Soleil" in Quebec were for sale, do you think it would be a good thing for the "Power Group" to acquire it, or do you believe that a governmental organization, be it provincial or federal... we will not debate this... should prohibit it?

Mr. Villeneuve: It would certainly be an excellent thing for the "Power Corporation". I believe that Mr. Gilbert's newspaper is presently the most profitable in Canada, or among the most profitable if not the most profitable, I think.

Mr. Fortier: From a point of view of information...

Mr. Villeneuve: With respect to the government, I think that to the extent that the governments were to take hold of a means like that one, and am now speaking of the governmental entity—the public administration, the guarantee to the public would be even less, due to the political games, which are normal in any governmental organization. I rather think of the public enterprises with control mechanisms and mechanisms of intervention on the part of the public than of a "Government Operated"...

Mr. Fortier: It is often said, and is has also been presented here, before the Committee on several occasions, that the freedom of press is something sacred and that the fact that a government would wish to legislate in the matter, or that a governmental organization would have the right to check the number of newspapers which, let us say, an individual or a corporation could acquire, would represent an invasion of the government of the freedom of the press. Could you comment on that statement?

Mr. Villeneuve: I am at present unable to do so.

The Chairman: Some time ago Mr. Thomas indicated that he would like to speak and I will go to you, Senator Hays.

Mr. Harry Thomas, Editor, McGill Reporter, McGill University: Well, I think Mr. Villeneuve succeeded very well in stealing a lot of my thunder. I would just like to make a brief comment about some of the opening

dialogue that took place this afternoon. I have sat through this so often in the past four years and I was really quite shocked that the C.U.P. people would be still presenting a left-wing dialectic that I think has become quite passé. I think it is quite an attempt at a snow job here in that I don't think it relates to some of the thinking that has taken place not only in the universities but within the communications field, and I think at radical political levels.

I think that the things that the radical political thinking is getting at now is something that rejects the concept of the global village and general principles that can be applied to mass situations and mass communications and that what society is really faced with now is more of a turn towards micro-community concept. I think it is something about which Dean Jacobs and many other people are doing a lot of creative writing in terms of urban organization and I think communications. The press have to be related somehow to that situation. The thing that I would like to see discussed and considered by this Commission is how we can develop in the context of mass communications hardware the capacity for the individual—the individual within a rather limited community, in a sense, in terms of his essential needs as an individual—to produce alternative means of expression and alternative means of getting the news that relates to him. The thing that I have been working with and trying to develop within my own mind is a concept of community publishing, if we can use it perhaps in the broad sense, so that you can have a viable and energetic student press; that you can have a very vital literary magazine or opportunities for the expression of a poet and a two-way dialogue that can develop in some sort of micro-situation.

One of these things that I would like to see proposed at one time is some way of giving support to the development of an environment which would permit the small communications media whether it be through publishing or FM channel outlets, or closed circuit television, or whatever form it is in, so that groups who do want to form for some particular reason—and they may be very subversive groups—but they will still have the means to communicate with one another and to communicate to other groups. I think that this would set up the basis of a really vital self-critical society and the necessity of reaching broad conclusions or general principles before the functioning of the media becomes irrelevant. They are no longer neces-

sary because the alternatives for the expression of individuals are guaranteed. I think this is fundamental.

The Chairman: Thank you. Senator Hays, and then I have Mr. Smith.

Senator Hays: I would like to ask two questions. One of Mr. Scarth and then the same question to Mr. Scott.

In your opinion, Mr. Scarth, *The Edmonton Journal* and the campus—in your opinion what do you think of *The Edmonton Journal* which is one paper from one city of approximately 400,000 or 500,000 people. What do you think of its credibility and that sort of thing?

Mr. Allan Scarth (Editor, *The Gateway, University of Alberta*): *The Edmonton Journal* is not a bad newspaper in the context of most of the papers in Canada. To an extent in the same reference that was originally pointed out it is still working within the same framework—well, it is false. It isn't challenging the rules of society, it isn't really getting at the truth, but no daily newspaper is. However, I agree with the late Basil Dean and with Mr. Munro that if you have an eloquent staff of reporters—I am not prepared to say how often that happens in journalism—it is not too bad right now, but they feel that impending sense of responsibility comes with being on one newspaper and they do make a sincere effort to be fair.

It is very difficult to form a general opinion of a newspaper. If you wanted to talk about it comparatively. I would look at *The Journal* as much better than I would *The Calgary Herald* because it is so much more liberal.

Mr. Fortier: Do you consider *The Gateway* an alternative newspaper to *The Edmonton Journal*?

Mr. Scarth: No.

The Chairman: Well, may I quote something that you said this morning?

Mr. Scarth: Yes.

The Chairman: I wrote down, Mr. Scarth, an exact quote from you this morning and you said *The Gateway* is the only alternative to the daily professional press, and I took it down as an exact quote.

Mr. Scarth: Well, I was just saying that the student press will provide the only viable alternative in practical terms right now.

The Chairman: So you don't regard *The Gateway* as an alternative?

Mr. Scarth: Not in practical terms of circulation, no.

Senator Hays: In readability as far as the students on the campus are concerned they all, I suppose, subscribe to *the Journal* as well or see *the Journal*?

Mr. Scarth: Yes.

Senator Hays: But generally speaking you would say that it is quite acceptable and you feel it is a good newspaper?

Mr. Scarth: Well, within a frame of reference it is not a bad newspaper.

Senator Hays: Well, where would you criticize the *Edmonton Journal*?

Mr. Scarth: Again, as with any newspaper, the phenomenal level of coverage. They cover the surface which is what newspapers do and they don't strike at the roots.

Senator Hays: You think there should be more in depth reporting, and that sort of thing?

Mr. Scarth: Well, I was going to go along with George. Not an in-depth reporting, but you need a different analysis of the situation and completely different point of view.

Senator Hays: Well, in your opinion, does radio and television fill the gap?

Mr. Scarth: No, because radio and television are much more dependent on advertising and are much more prone to be very conservative.

Mr. Fortier: This may be the time, Mr. Chairman, to ask Mr. Scarth about this new journalism which we have heard so much about in recent weeks; about this in-depth reporting which some of the witnesses who have preceded you before this committee have spoken about and which was partly the result of the advent of television. Many have come and said that they were doing a great job now of this in-depth reporting. Mr. Russell's references to Mr. Boyce Richardson's articles on pollution, I suppose, would be used as an example. Do you not find that the reporting, for example, is being done on the opp-ed page of most newspapers today?

Mr. Scarth: Well, as I said, to a certain level.

Mr. Fortier: It is better than it used to be?

Mr. Scarth: Yes. *The Journal* has died. It was something that was started under Basil Dean and it pretty soon became a forum for conflicting views of university professors and not a journal of dissent against the journalists' impressions.

Mr. Fortier: Do you have room for a page of dissent on *The Gateway*?

Mr. Scarth: That is a very important part of our paper—the centre two pages. These stories are given big headlines because the stories are important.

The Chairman: Senator Hays?

Senator Hays: Well, the *London Free Press*—there is a similar situation in Edmonton and London and I was wondering what the situation is there as far as you are concerned as an editor of a university paper?

Mr. David Scott, Editor, The Gazette, University of Western Ontario: Well, in much the same vein given the context of work in sort of the middle sized daily newspaper with a medium circulation, the *Free Press* is among the best of its kind. This is a good newspaper; it is not a bad newspaper.

Senator Hays: Is this the feeling generally?

Mr. Scott: I think it is the feeling generally among many of the citizens of London. We wish we had a second newspaper, something that we could balance off on.

Senator Hays: Do you think this would be good?

Mr. Scott: Well, I don't think it is feasible. You can argue it from now until next week, but I just don't think it is feasible.

Senator Hays: You think the people in Ontario are better served in so far as the news is concerned than the people in London?

Mr. Scott: Again, in the context of what journalism is today, yes. They have three different forms, but the forms are all analysed the same way.

Senator Hays: You feel that Calgary is not as well served as Edmonton?

Mr. Scarth: If you are speaking about the *Albertan*, I don't read it. I don't think there is much difference between the papers you do read.

Mr. Thompson: Whenever you have two papers in a city they both use primarily the same copy.

The Chairman: May I just put a question to you, Mr. Scott, on an article in the *Forum* which appeared July of 1969 by Mr. Desmond Morgan where it says:

"It doesn't matter whether the *North Bay Nugget* belongs to Roy Thompson, Max Bell or a local drygoods merchant. They are all without a single exception in the same kind of hands. We all belong to the Canadian business community and they all deal with what the community wants."

You would agree with that, presumably?

Mr. Scott: Yes, in essence.

The Chairman: Do you all agree with that statement? Yes.

Mr. Thompson: I would like to take up some of the comments Mr. Thomas made.

The Chairman: Fine. Providing, of course, Senator Hays is finished. Are you finished with that, Senator Hays?

Senator Hays: No. I would like to know also...

The Chairman: I must say also that Mr. Smith is waiting patiently. Senator Hays, you go right ahead.

Senator Hays: I would like to know what Mr. Scarth and Mr. Scott think of chain ownership, and whether a city would be better served if a paper was independently owned?

Mr. Scott: I would tend to agree with you. Yes, I would agree that if the person in that community—for example, the paper I worked for in Red Deer—the *Red Deer Advocate* was owned by someone from Britain finally, but was started by a man in the community who basically had more community interest at heart. At that level I would be against chains. I am really not prepared to give an opinion except to say that it would be all right if you had someone from the community running it.

Senator Hays: Do you think then that newspaper should be 40 per cent locally owned and would they be better newspapers if they were 40 per cent locally owned?

Mr. Scott: This is turning into—you know you are making needling points whether it is 40 per cent or 50 per cent locally owned, or

owned by a chain. Given the fact that the same kind of people own all of the newspapers, whether or not he is a small potatoes businessman in the local area or local level, or whether or not he is at the level, say, of the *Brantford Expositor*, or whether he is at the level of the head of the Southam chain, they still are newspapermen. Given the level of journalism, I think it's really ..

The Chairman: Well, Mr. Scott, may I ask you this question? You are not concerned about the concentration of ownership of the media of Canada because it doesn't matter?

Mr. Scott: Well, I am concerned about it.

The Chairman: Why? If they are all the same kind of people why are you concerned?

Mr. Scott: If you let me continue what I was going to suggest is that I would rather see ownership at the local level because that often prompts better reporting of local events and a greater concentration on local events because that is the community in which the owner works and lives so he would have a greater interest in that. However, in the broad concept of the word journalism it makes very little difference.

The Chairman: Well, let us take Toronto as an example. You have three newspapers and two of them are independently owned by people who are residents in the community, and one owned by a newspaper chain, but clearly as the paper tried to make clear for the committee with very much of a local Toronto interest. Do you think it would not matter if one person owned all the three papers in Toronto?

Mr. Scott: No, I didn't say that. I really couldn't say about Toronto because I don't serve in Toronto.

The Chairman: Well, I am sure you are familiar with the Toronto papers—you live in London?

Mr. Scott: Yes.

The Chairman: And you lived in Toronto?

Mr. Scott: Until the time I was seven years old.

The Chairman: Well, I am sure you must see the Toronto papers from time to time.

Mr. Scott: Yes, from time to time.

The Chairman: Do you think it would be in the interests of the citizens of Toronto to have all those papers owned by one person?

Mr. Scott: Well...

The Chairman: Well, do you think it would really matter, is really my question. Without putting words in your mouth it seems to me that you would have to say it wouldn't.

Mr. Scott: No, I don't think it would be consistent for me to say that, sir.

The Chairman: Can you explain why?

Mr. Scott: I would say that it would be a bad thing for the three newspapers to be concentrated in the ownership of one man in the sense that on a very basic level and presentation of the day-to-day local news you would not get different viewpoints. There is a possibility that if a man had an interest in a particular story, the story would be presented in the three different papers in exactly the same way. Now, the main problem with journalism is that if you have three newspapers owned separately they will all present you with a different version of the story, but at least there is the fact that you have the opportunity to say that somewhere, we somewhere in all this mass of information there are certain points for and against. There is also the coming together of the truth, and if you only had one method of reaching the truth then it is bad. If it were concentrated in the hands of one man from the local level, it is possible. Probably at the management level it wouldn't matter.

Senator Hays: Do you think that an advisory board where a newspaper is not owned locally, where it is part of a chain where the proprietorship is 2,000 miles away, that it would better serve the community where an advisory board were on a newspaper where they would be represented, and the professions would be represented, and the whole society with say a half a dozen members?

Mr. Scott: Well, this advisory board—I don't know what you mean.

Senator Hays: Well, we have this in trust companies and in the United States there are many, many people who think part of the United States—part of their success is the fact that the banks were locally owned and people knew who they were dealing with other than two or three. I am wondering if you agree with this?

Mr. Scott: Well, I have never run a metropolitan daily so I really wouldn't know what would happen.

Senator Hays: I was just asking for your opinion?

Mr. Scott: Well, it is very interesting.

The Chairman: I think, Mr. Fortier, that I would like to turn to Mr. Smith. He has been very, very patient and I believe about 20 or 5 minutes ago he wanted to say something.

Mr. Michael Smith, Editor, The Journal, St. Mary's University, Halifax, Nova Scotia: Well, I was wondering on what basis you (Mr. Thomas) put your statement that George's critique of the classes in general was passé. Passé generally means it is out of date and doesn't apply any more. Do you mean in what George says was or is not true, or do you mean what he said was true at one time but it isn't true any more. If so, why?

Mr. Thomas: Well, I don't think it is either of these things. Essentially I agree with the critique of the press.

Mr. Smith: Well, why is it passé?

Mr. Thomas: I am not saying that the critique of the press is passé. I think that perhaps some of the dialectic and the focus of the argument to me is rapidly becoming passé. I think I gave some indication of that. It is sort of the chicken or the egg—which comes first concept with me. Essentially, probably, I would identify with most of the critics that Mr. Russell would be striving for in his critique of society and the things that he feels are wrong about the North American society we live in. What I am more or less getting at is how do you provide or how do you tell people, which is the expression that he used, have the tools to subvert the existing structure in terms of, say, the consumer society and the appetite of the consumer society which threatens to destroy. How do you subvert that if there are inadequate means of expression, inadequate means of action in terms of individuals? I think that what a lot of political thinkers are turning to, particularly radical political thinkers, they are certainly influenced a great deal here by James Jacobs, that we must get those methods somehow. I think it is a very difficult thing because this is a kind of very subversive activities. This is the breakdown of the masses; this is perhaps even the breakdown of federalism, and it may even be the breakdown of nationalism

into smaller communities, and it is on that level that I in my own terms think that this dialectic is out of date.

You know, this is something that you can argue on for days and nights, but it is an argument that is taking place.

The Chairman: Mr. Smith, do you want to comment on that?

Mr. Smith: I will let Mr. Russell comment on that.

Mr. Russell: In the terms that I was proposing this was not communications as a means of self-expression, but it is implicit in the whole image involved in newspapers, maybe an end in itself, namely, how do people understand in the first place? I think the strategy that you are talking about—for example, the federalist structure I think is correct.

The Chairman: Mr. Fortier?

Mr. Fortier: It seems to me that with very few exceptions that we have heard very high rhetorical dialectic distortions and Mr. Saxe said earlier this afternoon, we are dealing with a real world. There is such a thing as a real world and this Committee was set up to investigate the real press. Now, everyone has been saying that the commercial press should be improved. Now, it would be very useful for the deliberations of this Committee, if we could hear from these people who now stand before the Committee today in what way could the real press—given no major upheaval—how could this real press be bettered?

The Chairman: Well, I don't want to anticipate Mr. Thompson's answer but I would gather from his earlier comment, and the comments of Mr. Russell, that that answer is really irrelevant.

Mr. Fortier: Well, Mr. Chairman, I would be quite interested in hearing their answer.

The Chairman: Mr. Thompson?

Mr. Thompson: I think that the way to improve the press without any major upheaval is to put the ownership of the communications media in fewer and fewer hands.

Mr. Fortier: How would you do that?

Mr. Thompson: Well, I think you would just have to avoid putting in legislation in the way of more monopoly controls.

Mr. Fortier: Would you break up existing so-called monopolies?

Mr. Thompson: No. I think you would have to increase them to have more efficient newspapers. Monopoly capitalism is more efficient and if you want to better the kind of press you have now you will have to obviously go to the obvious extension.

The Chairman: Which you are in favour of?

Mr. Thompson: Yes. I think that is the logical answer without a major upheaval.

Mr. Fortier: Well, you are assuming that there won't be any major upheaval and I am just giving you back your own medicine.

Mr. Thompson: Well, I don't think we could assume that there would be a major upheaval.

Mr. Fortier: Would you like to answer my question, Mr. Scott?

Mr. Scott: Well, I just would like to know...

The Chairman: Would you like Mr. Fortier to repeat the question?

Mr. Scott: No, I can understand the question. I would just sort of like to know what he means by improvements. You mean the introduction of new type faces? Is this what you mean?

Mr. Fortier: Well, you have said, for example, that the *London Free Press* was not a bad newspaper. How would you improve it?

Mr. Scott: Well, I would just say...

Mr. Fortier: I am not talking of 40 per cent or 50 per cent, because your own comment was well taken. However, how would you improve it? I mean, this Committee have to deal with realities.

Mr. Scott: Well, we are not dealing with realities if there is something basically wrong.

Mr. Fortier: Well, how do you envisage a better press, how would it come into being?

Mr. Scott: No, I am not—I am really trying to be very honest about it. I can't come up with an answer.

Mr. Fortier: Well, I am pleased to have at least that on the record.

Mr. Saxe: I think that part of the frustration on the part of the Senators in this room

is that the commission has heard very little in terms of how this can be done. However, I think I can suggest an answer. I am reminded before I say anything of Mr. Russell's remarks earlier on about the oppressed classes.

Mr. Fortier: The vocal minority.

Mr. Saxe: Yes.

The Chairman: The ones in the room are not a majority.

Mr. Saxe: That is right.

The Chairman: There are some?

Mr. Thompson: There are some workers here, that is true.

The Chairman: Do you feel oppressed, Mr. Thompson?

Mr. Thompson: Oppressed?

The Chairman: Yes.

Mr. Thompson: Well, I am currently struck if that answers your question.

The Chairman: Well, I am asking you if you feel oppressed?

Mr. Thompson: Oh, no.

The Chairman: You don't feel oppressed?

Mr. Thompson: No, because I feel very much alive in the fact that I am struggling against those situations.

The Chairman: But you don't feel oppressed?

Mr. Thompson: No. I feel free to the extent that I am struggling against the structure that I live in.

Mr. Saxe: I was just going to suggest that I think part of that struggle at the tactical level—I wouldn't suggest that is happens in each instance, but I would say that the control could be turned over to the community entirely. The control of the newspapers is turned entirely over to the communities.

Mr. Fortier: Mr. Claude Ryan of *Le Devoir* came before this Committee before Christy and he expounded the same view that more and more newspapers should become community-owned. That is the point that you are making now?

Mr. Saxe: No, it is not the point. We are talking about the question of ownership.

Mr. Fortier: Well, I am talking about the content here.

Mr. Saxe: I am talking about the content at the present moment.

Mr. Fortier: Well, can you divorce these two?

Mr. Saxe: The form of content would be completely community controlled.

Mr. Fortier: And how would that be done?

Mr. Saxe: Well, I don't think you can answer that. Again I realize Mr. Fortier that is very frustrating to receive that sort of answer. Given the kind of world view and it says, give me an alternative model. I want another model. You can show me an example even if it has to come from Red China—show me an example that we could talk about—I am saying that the process is basically at fault. I am saying that you have to find basically a new process.

Mr. Fortier: What you are saying then is give me a new system and I will give you a new model?

Mr. Saxe: No, not at all, sir. The question is matter of how that new model is going to be developed in this process not what it is. It seems to me that if you are opposed to what is, you establish the same kind of particular as. So one can create these balances. I think at part of the capital considerations of that process is to go to complete community control over the communications media, and I don't pretend in any way to imagine what this means. If I could put a blackboard up for you, and tell you what the relationship is and that the new society is, it would be simple for me to do it, but there is no change in the fact that you are totally obscure to the fact that there is a real process.

The Chairman: Mr. Thompson?

Mr. Thompson: I would just like to point out the few facts that Mr. Thomas related earlier. It is not a question of privilege because I think you are right if we do start talking about being subversive if our analysis about the people who are in the room or on the commission is correct it might not be good practically to discuss tactics in front of them.

The Chairman: Have you anything further, Mr. Thompson?

Mr. Thompson: Yes.

The Chairman: You and I are enemies, Mr. Thompson?

Mr. Thompson: If we go along we will become enemies.

The Chairman: We are not enemies yet?

Mr. Thompson: Yes.

The Chairman: Are we in training?

Mr. Thompson: Well, we don't have machine guns.

Mr. Fortier: Well, why must you have enemies within the system?

Mr. Russell: Is this a moral question?

Mr. Fortier: Well, why must you have enemies?

Mr. Thompson: I was born into the system.

Mr. Fortier: What about the cases that are not part of your organization in the press, are they working up to this?

Mr. Russell: That is right.

The Chairman: I am asking these questions because I want to know. You made a statement earlier about your social conscience—in reference to your own social consciousness.

Mr. Russell: Not a social conscience.

The Chairman: Well, do you think that the members of this Committee, or at least some of them, have a social conscience?

Mr. Russell: I suppose so.

The Chairman: You don't think we are socially conscious?

Mr. Russell: I don't think that you are in any way. I don't think that is your fault.

Mr. Thompson: I guess I would have to address my remarks to Mr. Villeneuve too. I don't think there is anything that this commission will do that will change the situation. I think they could institute different controls, or recommend different controls, and those controls could be instituted but as Mr. Scott said it really wouldn't matter because it wouldn't change the structure.

I think also there is a point to say about the breaking down of the global village—we made a study of McLuhanisms some four years ago so I hesitate to borrow on that—but anyway that is breaking down and the struggle is becoming more and more one that is

starting off at the community level. I don't think that indicates the analysis of the total situation because each of these communities—whether it is a community in Montreal or a community in Regina, they are still situated in Canada which is situated in the American empire.

Alternatively, if the struggle comes from many sources, and each of them struggling for their own liberation and thus creating the critique throughout that system, I don't think we can organize a crew to bring about the kind of society we want. Otherwise, we may have to smash at least ten or 12 members of the ruling class. That is exactly what a revolution is in a society. I think—we can start talking about tactics at the local level, but I don't think it is a much tactics as it is the ability to put into process this communications theory. The people are doing those things, people are setting up newspapers at the community level, people are setting up radio stations that are community controlled, and like the city government—as if they owned the papers—the people are doing it and are given control. We should give the control to the people who work in it, and listen to it, and read the papers—they should have control over the content then that goes into it. When you start talking about a paper in Regina, you start talking about a community paper in Saskatchewan and talk about tons and tons of wheat rotting, and tractors, and other machinery—we cannot talk about those things in isolation from the rest of society. We cannot talk about the prices because the fact that you talk about the highest prices for machinery, the fact of the matter is, it is related to the fact that no one is selling wheat and we can't talk about the controls over the selling of tractors. I think that possibly newspapers are a poor tactical weapon and that is because people are not trained to really read or write a newspaper other than the kind we have. This is part of the reason, not just because it goes into the people's hands to break down monopolies, and so on.

The paper that says or talks about the poor Biafrans, or about the pollution of the water off Nova Scotia, and the Americanization of the universities, and the Imperial Oil discovery in the Mackenzie Delta are all separate stories. They are on different pages, in different sections under different headlines with boxes around them. They are not different stories. They are dealing with the different parts of capitalism today. Capitalism is doing these things in today's society under our economic umbrella, but they are not events in

isolation. The fact that there are more and more tankers being built, and because Imperial Oil started to explore the Arctic and who owns Imperial Oil? One of the directors Imperial Oil is also a director of the Royal Bank of Canada and a member of the Senate who used to be on the letterhead of the commission. The chairman of the Royal Bank of Canada lives in New York and is head of the Royal Bank of Canada Trust Company.

Senator Beaubien: Well, Mr. Chairman, was just going to say...

The Chairman: I am sure, Mr. Thompson that you are aware that you are becoming repetitive but all means finish and then you can carry on.

Senator Beaubien: Mr. Chairman, the chairman of the Royal Bank of Canada is Mr. W. Earl McLaughlin.

Mr. Thompson: Well, he is the vice-president, then.

The Chairman: Mr. Thompson, is your statement nearly through?

Mr. Thompson: I am nearly through.

The Chairman: Thank you.

Mr. Thompson: So I think when those community structures begin to be set up that there will always be opposition and that opposition has to be to the total system although it grows and develops at the local community level. There will be opposition to the total system. You can't just do that through newspapers because people start to demonstrate and protest about the prices of tractors, they come in touch with more and more of the system. They can't afford money for their tractors and the banks start to take more and more from them. When they can't pay their mortgages on their farms, the banks start selling them more and more to the Americans.

The Chairman: Mr. Scott?

Mr. Scott: If you don't mind, this is returning back to some time ago when I didn't have an alternative to the *London Free Press*. I do have an alternative and if Mr. Foran would like to meet me after the hearing I will give him a complete list of the people that I would fire from the *London Free Press*, new people that I would hire, and new type files that I would bring in, and this type of thing.

The Chairman: Why wouldn't you tell us the people you would fire now?

Mr. Scott: Because I don't think their names should be on the record. I am not in charge of the *London Free Press*. I am just trying to reduce it to the accurate level that it should be reduced to. How can Mr. Fortier ask me how I would change the *London Free Press* concretely, or in principle, or in philosophy? Tell me, in what areas you would like me to give my alternatives?

Mr. Fortier: Well, first of all, I would like to know...

The Chairman: If I may in terms of philosophy, I think we have discussed that at great length this afternoon, so let us set that aside. I think your position on that has been made clear, so let us turn to content as Mr. Fortier mentioned.

Mr. Fortier: Yes, because you are appearing before us you are saying that press in Canada is bad. We, who are members of this Committee, are investigating the press. Could you tell us in what way this can be improved?

Mr. Scott: Well, in the context of this Committee, what it can do in the context of who I am, I could possibly do it. For instance, the *London Free Press* is almost totally anti-youth. Very, very little content in the *London Free Press* has to do with what the youth are doing among the few pieces that are done on youth in the paper. Would you like me to give examples?

Mr. Fortier: Yes.

Mr. Scott: All right. One of their things comes out of Don Mills, Ontario, called *Other Teens Other Places* and talks about high schools proms. Now what that has to do with teenagers in London, Ontario, I don't know. The *London Free Press's* idea of a lock-out is to call it a strike and I am sure you have heard a lot of these things from Professor Beattie when he brought his brief to you. Well, the people on the *London Free Press* to a man—I have talked to him and management considers that everything in his brief is a lie. They consider it all to be a lie. Unfortunately a great deal of the discussions I have had with Professor Beattie in my three years of journalism—and I have talked with him at great length before I came here—to a large extent I agree with him and his brief. Professor Beattie was dealing with specific issues about putting this caption on that picture and

where they had an editor who worked his way up to promotion who after making a conscious decision a few years ago that he wanted to be editor of that newspaper. He saw the way to do it was not through the newsroom but was to go up to management, which is fine. He did it. Now, how he did it, I don't know, because I wasn't there. The point is that Mr. W. C. Heine decided he wanted to be editor of the *London Free Press* and how Mr. Walter Blackburn came into his empire I don't know. Well, you know at the time of Blackburn becoming President of the London Free Press Publishing Company, he was in line for my job as editor of the *Gazette*. He had to give it up because at the age of 22 after graduation he became President of the company and it has been that way ever since 1937. Now, that man is not in touch with the city. The people who work for him are not in touch with the city, and Mr. William Caradine, his executive vice president—I don't know the exact title, but Mr. Caradine went through journalism school and has done journalism briefly and is now in management. His contact with the newsroom, I think, is pretty minimum. Now, granted the publisher should be able to choose the editor. Unfortunately I don't think Mr. Heine is an editor in the true sense of the word and I don't think Mr. Hindman is directly in touch with the people of the city, and I don't think he cares much what the lower class does in his city. I don't think he cares what the youth of the city does. I know Mr. Heine edits the letters and I know he doesn't do it because of the libel because I run the same letters verbatim and I don't get sued. Now, that may be a function of my newspaper, but I will mention this once. In the Dickins case, I ran the letter in full; the *Free Press* ran it in half. Now, whether that is a symptom of the way the *London Free Press* work, I don't know.

The fact was that they edited out five of the significant points and all the points that dealt with Mr. Blackburn were taken out of that letter. Now, you gentlemen can wrangle amongst yourselves whether or not that was the duty of Mr. Blackburn or Mr. Caradine or Mr. Heine or Mr. Williams, it doesn't matter. It doesn't matter which one of those fellows is in the power structure of our society, they just do that.

In the area of news, in the area of labour they print every letter to the editor. I am not sure how fully because I don't see them all. In the area of adult education—right now I am working on a story of adult education with

reference to the Adult Education Centre in the City of London. It has been rotten for over a year and nothing has been done about it. It is not because *the Free Press* hasn't been told about it because they have. They just don't look into it and these are the areas where lower class people are attempting to get an education in order to get a better job and they are being denied this chance. I can say that this is privileged information, or at least in a privileged context. Now, outside I couldn't say that because I don't have all the information.

The Chairman: Mr. Fortier?

Mr. Fortier: How well are those members of the London community served at the moment?

Mr. Scott: Well, if we are going to talk in terms—let us match one paper up with another. Let us take *the Toronto Star*. We will match the *Toronto Star*, page 7 during the week against the treatment *the London Free Press* gives the letters to the editor. *The London Free Press* prints one or two letters to the editor on the editorial page, and the rest of them are filled in beside the ads of what Loblaw's says.

Mr. Fortier: There is no alternative medium in London?

Mr. Scott: Where would there be an alternative in London? In the print medium *the London Free Press* is the only source for local in-depth coverage of news. There are three other radio stations within the range of the city which people normally listen to. They are supposed to deal with local events, but if you talk to the news directors of any one of those radio stations they will tell you that a great deal of their information is taken directly from the morning and evening edition of *the London Free Press*. There are some radio stations in town that go out and hustle their own news, but what can the two methods say about the same issue. Either you are dealing with expropriation or you are not dealing with it.

Mr. Fortier: Do you think a competitive paper in the City of London would remedy a lot of the ills of which you have spoken?

Mr. Scott: I am not sure it would. I am sure, for instance, if somebody came along out of the sky and went into Mr. Walter Blackburn and told him not to publish in the morning and the morning slot was open for

another newspaper to come out, another newspaper chain would come in because they are the only people with the capital. I am not sure that the people with the money would do any better, because I am not sure whether the people of London would be better served. They probably would be a little better served.

Mr. Fortier: What are your views on community-owned newspapers?

Mr. Scott: Well, I haven't thought enough about it. I can't think in terms of how these community-owned newspapers would work. I am willing to think in terms of an alternative because an alternative has never been tried in that city.

Senator Hays: Is not the *London Free Press* owned locally?

Mr. Scott: Well, certainly it is owned locally. It is owned in an imperial structure that is incredulous to view. The *London Free Press Holding Company Limited*, Blackburn Broadcasting, and there is a little lady out of the country some place who owns only 9 per cent of the *London Free Press*. It has been in the family—I don't know—for the last while. Now, I don't know where this last 15 minute harangue went and I don't know what it told you about me or the *London Free Press*, but it didn't say a darned thing about journalism.

Mr. Fortier: Well, maybe it is important to go from specifics to generalities and from generalities to specifics.

Mr. Scott: Well, we are just plain work-ins.

The Chairman: Mr. Smith?

Mr. Smith: The point is we all probably have word series, but the point is...

Mr. Fortier: Let us hear about Mr. Denis?

Mr. Smith: Well, the point is that would be irrelevant because the case in point where *the St. Mary's Journal* managed to scoop the *Halifax Herald* on important issues that in fact were covered on four previous days by the Canadian Press was due to the fact that we got to it.

Mr. Fortier: What was the issue, Mr. Smith?

Mr. Smith: The expulsion of those nine Polish seamen.

Mr. Fortier: Are the people in Nova Scotia getting the newspapers that they deserve?

Mr. Smith: I don't know, but the point is I could go into those horror stories but that would be irrelevant because the reasons for those come back to generalities.

Mr. Fortier: Well, I think we should deal in generalities.

Mr. Smith: Well, maybe we should.

The Chairman: I think the generalities that Mr. Smith is talking about we had dealt with at considerable length. If you would like to repeat them...

Mr. Smith: Well, I would only say that I thought a discussion of horror stories would be irrelevant. I believe they would be irrelevant at this time.

Mr. Fortier: Mr. Chairman, are we talking generalities?

The Chairman: I believe Senator Smith has question.

Senator Smith: I think Mr. Smith has been pretty well neglected around here and I think he has something pretty interesting to tell us. It is my impression, Mr. Smith, that St. Mary's University, perhaps due to its rapid rate of growth and so on—can you give me any explanation why it appears to me from what I read in that local press—and from what your fellow students tell me—there have been more revolutions between the student body and the administration of the University than all of the rest of the Nova Scotia universities put together. Now, I make that statement without any real substantiation, but it is my impression of the situation.

Perhaps what my question really comes down to is this. Have the editorial views of those who have been running the *St. Mary's Journal*—has that been responsible for making the students take a different kind of look at the administration policies than they give in some of the other colleges?

Mr. Smith: I would certainly like to think so. The situation in St. Mary's as I stated earlier is like a great school with 400 girls and no high fence. I think the average age of our students is 20 and the average image that our average students have is pretty well distorted. That is probably responsible for what you would say is revolution. In fact what happened—I noticed someone down here a while ago saying something on the press function and the latitude. If you sit back and think that you are going to be oppressed and for about 150 years as the people at St.

Mary's did do nothing, then when you try and do things, you realize that you are oppressed.

Senator Smith: Does your paper, for example, have anything to do with the stimulation of the demonstration of the turning down of the food in the diningrooms at the time of that commotion on the campus?

Mr. Smith: No.

Senator Smith: That was just a natural thing that happened in the boarding school?

Mr. Smith: Yes. That whole thing was a protest of non-representative governing structures. It came across as a protest about the food.

Senator Smith: Did not the administration at that time make some public statements in that regard and indicate that they were at fault and things were going to be changed and they were changed immediately?

Mr. Smith: I don't remember but there is a possibility that they did that.

Senator Smith: My only information comes from the morning paper in Halifax.

Mr. Smith: Well, as I recall what happened they said: "Oh, O.K." They were just looking for something to say and to make sure that the food was even better. All this happened except that it didn't start out as a protest against the food.

Senator Smith: I would like you to clarify for the Committee the purpose that your paper might have given the incident that involved the three girls in the test case that I recall. It was on the campus and I would like you to compare your coverage with that that was given to the incident by the Halifax press?

Mr. Smith: I am not sure that I can do that because I was a very young fellow, but I brought a copy of our entire production for this year, and I can show them to you. Basically our coverage was more in-depth. I don't know whether that is relevant to this discussion.

Senator Smith: Well, I am trying to arrive at a point where we may be able to judge the impact or the influence of the student press...

The Chairman: May I just interrupt you, Senator Smith and Mr. Smith, and ask you to relate just exactly what the incident was for some of us who may not know.

Mr. Smith: Well, as I said our university is a very paternalistic university and we have Grand View Residence which won all sorts of architectural awards but they clamped on 1910 boarding school rules for the people living in it despite the fact that it was designed as an apartment building for responsible young students. The people took that for about three or four months and they decided that they were not going to have any more of it. They were negotiating at the time with the administration, and said that the administration was stalling. They said that they would make regulations governing their own conduct and that doesn't mean, of course, that they wanted to take over the administration of the building at all. They were going to govern their own conduct in terms of hours and visiting and the administration responded by throwing three girls out of school and they did that largely as hostages.

The Chairman: When was that in point of time?

Mr. Smith: It happened over the period of four weeks, roughly around October 9.

The Chairman: Of 1969?

Mr. Smith: Yes.

The Chairman: Now, your question was what, Senator Smith?

Senator Smith: I was wondering what was the extent of the impact from what you have been publishing in your newspaper—your weekly publication—on the thinking of the student body and their willingness, apparently, to join with their fellow students and support such a revolutionary tactic to gain more power in the administration setup.

Mr. Smith: I don't know what actual influence we have, but I know that during that period our coverage was much better than it usually is and people were quite happy with what we were saying. After the thing was over we took the centre page of one of our issues and then printed two or three stories from the *Mail Star* and the *Chronicle Herald*, which are the daily papers there, and we printed various documents which disclosed just exactly how the media was distorted.

Senator Smith: You don't have a different kind of student body there than they have in other universities in the Province of Nova Scotia?

Mr. Smith: No.

Senator Smith: It is just that your circumstances were different?

Mr. Smith: Yes.

The Chairman: I am just going to call for a break for about 90 seconds so the report can make adjustments and then we will return to the brief

—A short recess.

The Chairman: Honourable senators, if I may call the session back to order.

I propose to begin with some comments by Mr. Chenoweth who has been most patient for the last number of hours. Then I am going to turn from Mr. Chenoweth to Mr. Saxe who has a comment, then I will return to the Senators. Mr. Chenoweth.

Mr. Chenoweth: With the indulgence of the Committee and the people here, I have a number of comments to make. I cannot present you with a detailed hierarchical analysis or opinion of view on anything here; I am just reacting to what has been said. May I first say that I am very sorry, in a way, that I have come here only because of the term which were obviously of much more interest to this Committee. Had a member of the *McGill Daily* staff that we have replaced come here, he would have made much better copy. He also would have been much more interesting and you would have been presented with a fairly well unified front down the line here. I personally am not a system analyst in politics. I am just—I guess I would be called a technician. I see myself as a newspaperman—a newspaperman who is fairly conscientious. I may be a victim of the system, a product of the system, I really don't care. I am going to be arrogant enough to offer opinions on practical considerations of the press in Canada, since I personally feel much more humble to present my view of the system than to challenge your views of the system.

An interesting point I would like to make is that the very dialogue which has been going on here for the last two hours is probably the best exhibit I could use to show why the university press in Canada has lost its audience. This type of rhetoric—I would even agree and I have very grave reservations upon the critique of interconnective news reporting, but at least that is better than the cop out of arguing policies and systems that comes to a level of "I have my view and you have your view, and you are wrong and I am right, and that's it, baby—bug out." This is what it seems to have come to at times.

I am not so fully alienated against society or total change to the system. All I am interested in doing is trying to create, in my own terms, and you know I will not justify my own terms to anybody save myself because it is based on my philosophy—I just want to create the best form of news media given my terms. If you are interested in my terms we can argue for two hours and they will be opposed by the other gentlemen here and you can categorize me, stereotype me, as I have no doubt some of the press men do. They are going to stereotype all of us up here and we will fall into polite little moulds. They are the reactionaries and I am a hide-bound conservative. However, the term most used on my campus is Fascist. You must realize that the rhetoric on university campuses is very easy these days. A Fascist is one or anybody who is a moderate—we don't use the word communist. We call him a dirty, nasty radical for anyone who doesn't fit the pigeonhole. In terms of what we have tried to do with our newspaper—we just wanted to create a newspaper to best serve our community by analysis of present day alternatives by offering the truth in its many forms.

All we have tried to say here is that truth comes in a thousand and one forms. Mr. Saxe, Mr. Thompson and Mr. Russell—interpretive analysis—that is what my brief has said that this country needs. A single fact in terms is irrelevant. Just like statistics—Mr. Winston Churchill, "Lies, lies, damned lies and statistics." You have to perceive an interpretive analysis, the interaction of events, the cause and effects. The very fact that we have different points of view here shows that there can be two, three, a thousand, a million different forms of this interconnective analysis here, and from what I gather the interconnective analysis presented by my colleagues is one of a very narrow form. They used the dialectics, the semantics. Instead of saying American domination of industry, they will categorize it under American imperialism. If I set my mind to it I could probably find four other words or semantic terms that would do equally.

Let me just get away from the campus and talk about, briefly I hope, about the press. I have worked for three summers now in Montreal as a member of the *Montreal Gazette*. Montreal is an interesting city to work in terms of this. We have two papers. The *Montreal Gazette* and the *Montreal Star*. The *Montreal Gazette* is now a Southam paper and I know you received a brief from Mr. Charles Peters as to why this is so. I feel very

nervous about saying anything, you know. I don't know—not only am I hoping that I might go back to the papers this summer, I am also just receiving answers from papers across Canada asking if they will hire any of my staff for summer jobs because they need them. So whatever comes of this will be interesting to watch. Whether I condemn myself and shove my foot in my mouth thigh deep...

Mr. Russell: They will hire you.

Mr. Chenoweth: I don't like the concept of the chain. I personally don't. I think the concept—just because of the potential. Economically, obviously, I guess it is necessary and the brief says:

"I wish the Government and this Committee would consider the subsidization of what I call emerging media forms."

That means anything from a local community paper to the underground press. The subsidization, actually, of certain parts of the student press. I don't think our political parties right now—no one has mentioned today culture except Mr. Thompson. There doesn't seem to be any viable creative form except a little press, little magazines across Canada which die almost every five minutes almost. The student press, we seem to be the only people who are presenting most of the creative writing and analysis of the university students. None of you read a term paper for political science at 329, but some of you once in a while pick up a student newspaper and read what some of the kids there think. Some of that is pretty damned good writing.

I couldn't give you the methods of subsidization, but I would just like you to consider it. Community control of the paper. Well, very, very definitely but in what form? In my brief I support what has come to be known, I guess, as the European concept primarily demonstrated by *Le Monde*. The staff of a paper, the junior staff in particular, might be considered that they are offered to do not only hard core reporting but to do analysis; not the analysis questioned of you by your senior editor whether you have been covering a labour beat or albeit a general story, but upon what they think.

Of course, it has to be balanced if you are not going to have a completely arrogant view of the press as we become not only the fourth estate but the fourth world or the over-world almost as opposed to an under-world.

Letters to the editor is a crudy concept. If you check what most people write, letters to the editor ask—who writes the analysis? Either newspaper staffs or academics. I have a certain amount of respect for academics; they are wonderful people and I have spent four years under them and now within three months they are going to decide whether I get out of university, but surely there must be other ways. I wish these—my colleagues for a second would drop systems analysis just out of plain working and without trying to play games suggest just how this can be done. People, community councils give four, five, six pages of newspaper once a day, once a week, two groups of people that number as many extremists as you can find. As many extreme groups and let them allocate it to whom they want. The only way it will hurt the paper is that it may turn off the readership in terms of the fact that papers in Canada are commercial ventures and by this they are condemned. They have just to cater to their audience no matter what methods you come up with. You have community councils—I am only suggesting that this be done—the paper might find itself going bankrupt, I don't know, simply because it might alienate them because more of the masses seem to be alienated by almost anything which threatens in any way or opposes in any way concretely.

They do not mind academic or intellectual opposition, or concrete opposition in our world system.

This is what my brief says to give the young people a chance, and perhaps the papers at the same time should hire student journalists and it might achieve two things. It might achieve, I think, what some of you want, that is more in your terms a responsible student press. It might achieve a more responsible press in ten years, and in this case we can find there is a role for them. At this time you have to climb your way up through a ladder of copy boy and junior reporter on the police desk which wonderful training to teach you how to write but not a chance to feel, not just involved in a facts machine and churning out facts day, by day, by day, but someone who could also offer your interpretation no matter how humble or stupid it may be.

Perchance the best definition of freedom of the press is freedom of the press—as long as it does not hurt anybody in a way that may be considered too dangerous to be right or as wrong as possible. Radio and television doesn't do this. I could get into the nature of

communications, the nature of the media, Marshall McLuhan stuff. Pictures are more misleading than stories and at the same time pictures tend to deaden horror. Our whole radio and TV culture, particularly TV has trained us to an entertainment media, a media in which 90 per cent of the day you are watching westerns; you are watching situation comedies. How can you expect that people who for ten minutes at seven o'clock or 11 o'clock watch the news can emotionally accept that this is any different? Watching a Vietnamese colonel put a gun against a prisoner's head and blow his brains out isn't any different than John Wayne having 4,000 Indians bite the dust. I think there are some studies being done and a lot more to come so I can't see how people can so easily make the jump from the mass amount of fiction they present to a brief minute of reality.

The actual coverage in Montreal—in my brief I play heavily upon one part and I think this will be my final comment. Of all the areas that the national press has ignored it is that of the university. Maybe it is just because—that is my environment right now, so that is what is of supreme importance to me. It is not only my environment. It is a training environment, it is an environment of the people who are going to be sitting in your seats 30 or 40 years from now. I have a feeling that you don't really give a damn. Let the administrators run it. The press doesn't give a damn, there is no entertainment value no news copy in the universities. The public is not interested in reading—and I don't blame them—in reading about the university so what is the value when you are catering predominantly to an audience that is not university trained and giving them stuff on the university. They have no form of relation and what is the point. Where does that leave us? Where does that leave the student press? So we scream and we raise issues. We are polarized and we are put in a position because there is nobody else speaking out for us except for the creation of stereotypes—Mark Rudd, the dirty fearless radical and the guns of Cornell.

Recently now the press is making a small effort to do some articles on what the real student is like except all I have seen is the standard cliché, you know, between the radical and the nice sweet pleasant student, he doesn't exist in those terms. How are you going to find out? From right here, right now, how are you going to find out and how is the press going to play this up? What am I sup

posed to do? Am I supposed to write a letter to the editor of some paper and say what I think the press in general should do? Am I supposed to write an article on that and have it edited? I don't know. Am I supposed to write a column on what five years of university has done for me? Where am I going to put it? In my paper; but as students we know that already. How am I supposed to get it to you? I don't have a chance in hell basically of getting across to you in any form. Maybe I am being arrogant in asking for it, but the reason I am asking for it—the one final point of view is, you say "O.K., work your way up." In 20 years you get to a point where you can sneak out but in 20 years I won't be a university student. Twenty years I will be something totally different and I won't have any right to speak to university students. So why isn't there a way—and this applies to all other sectors in Canada not represented anywhere—to sit down—in God's name! I don't give a damn about helping or not helping the revolution. I personally would like to see this whole system of ours in Canada, the government system, modified. Give everybody a chance to say something, and this doesn't exist. This is a basic fact. I don't think there is anyone here in this country or room who can argue that. We don't have a chance to speak. The only chance we have is in our papers and the fact that our papers are bitter and nasty is a reflection of the fact that we don't have any other chance to speak out. How can you honestly say to yourselves that I am mature enough to deal with the intellectual concepts which face this world and at the same time say I am not intellectually mature enough to have a chance to express my opinions or the right to express them as predominantly as you gentlemen and ladies of the Senate do. You who can walk into a newspaper office and fairly well demand—not in any legal terms—but the fact is you will be given the space to have your ideas known.

If I walk into a newspaper office and demand that, what do you think will happen? This is a very emotional thing.

The Chairman: Well, Mr. Chenoweth, don't you think you and the others, Mr. Saxe and Mr. Thompson, Mr. Russell and all of my friends on my left here have had a pretty good opportunity today of putting your views before the people of Canada?

Mr. Chenoweth: You have asked us in five, six hours to deal with a section of the press—the very fact that the amount of discussion

we have had proves that there is such a gap here that it would probably take a week to begin having any aligning of ideas. You have put us in a forum where we are debating. We have tried not to, but we have found ourselves debating. I have tried not to debate politically with these gentlemen, but I can't help it. Maybe it is my feeling, but I can't help being put in a position where I am polarized against them and where I will debate them.

We sit upon heavy trivialities about whether the *McGill Daily* is a good newspaper or bad newspaper in my terms, or Mr. Saxe's terms, or anybody's terms. If you are getting anything out of this why do you give just one day to a sector of the media? One day only out of how many months? You have given eight of us a chance to speak, and you must realize that we don't represent anyone but ourselves and you are having a lot more people—O.K., nobody represents themselves who works for a newspaper. You are having a lot of people representing other sectors. You are giving us one day, and not even giving us—I assume you think I am highly arrogant but—not even giving us a chance to speak to you directly, and you and me, not him and me, and the three of us running in funny circles and getting caught up in the most ridiculous things. We are polarizing against each other. I very much appreciate the fact that George and Stewart are here. There are differences between the *McGill Daily* and C.U.P. but we have tried to—nobody tries to steal. A lot of them are technical and philosophical words between us and as I say they are philosophical and will never be resolved between us. We have been forced to, and I am probably as guilty as the others, forced to deal in trivialities such as the Dickson case, et cetera.

Senator Hays: Don't you think though that all of us have been exposed a little bit? Most of us have children who have gone to university and you will some day too. I think you will get some exposure.

Mr. Chenoweth: Sir, are you as exposed to me as I am exposed to you?

Senator Hays: Well, I think children go to university.

Mr. Chenoweth: Sir, how much do you know of my environment compared to how much I know of yours?

The Chairman: Well, I would just speak for myself. I think I know more about your environment than you know about mine.

Mr. Chenoweth: Well, I am not really talking about the Senate. I am talking about general society.

Senator Hays: I think you had had a pretty good go, when I stop and think when I came up I didn't have a school bus and I had to ride a saddle horse seven miles to school and took my lunch. When it came time to go to high school we didn't have any money so we had to go to the City of Calgary. I went through that. I had seven brothers and sisters...

The Chairman: Well, if I may ask you about this point. Let us be frank here. When Senator Hays went through that revelation of his early days, some of my friends on the left here sort of groaned and sort of threw up their hands. What would your comment be on that? In other words, you started to say that you went wherever it was and there was on my left a sort of collective groan, a throwing up of the hands as if to say, "Oh, here we go again". What would be your comment on that?

Senator Hays: Well, I think most of this exercise today has been very good. I think you change in life. When you are 18 or 19 you are a communist, when you are 24 you are an NDPer and you have your house half paid for, when you are a Liberal...

Mr. Chenoweth: And when you are 110 you are dead.

Mr. Thompson: When I was 15 I was a capitalist, when I was 18 I was an NDPer and now I am a communist.

Mr. Fortier: And at 35 you will be a Senator.

Senator Hays: If you have lived with children that go to university, I think you know what is going on.

Mr. Chenoweth: Sir, how many of your children have been members of the student press and how involved were your children—may I ask you a personal question?

Senator Hays: Yes.

Mr. Chenoweth: Do you have children in university presently?

Senator Hays: No.

Mr. Chenoweth: You see, our contention is and this is one a lot of people argue about—I have been in university for the last five years and I don't think any of you will argue that the university the last five years has seen changes which make the past 30 years look incomprehensible. When, sir, did you ever imagine that students would come out of a building on an American campus armed with rifles and shotguns? Sir, was that in your frame of reference before 1969?

Senator Hays: No, but I have been to Russia and I have been to China and Africa and I am pretty pleased when I come home to Canada. In this cold, harsh country we get along pretty well and my observations when I was in Russia were that 80 per cent of the people lived like our welfare people.

Mr. Chenoweth: I agree, sir. When I was in the States and came across the border, I breathed a sigh of relief too.

Senator Hays: I have seen their universities and I think we are pretty good here. I think you people have had it pretty good go here, and you have had a pretty good go here today.

Mr. Chenoweth: I hope so.

Senator Hays: It was my first opportunity to really be associated with the intellect and academics and that sort of thing, and I have a great appreciation of the things that you are saying.

Mr. Chenoweth: I wish you had perhaps given us more time because Mr. Russell brought up an entire concept on communications theory. This is an academic and political field but you can't discuss philosophy in just 25 minutes and this opinion, point of view and philosophy in view of society is instrumental on the press that is being put out is totally correct. I just don't think that you can discuss some things as wide as that in one day with as varied a group as we have here. We have been sniping at each other all the way down the line.

Mr. Thomas: I agree with you.

Mr. Chenoweth: Yes, and I was as shocked as you were. I won't argue the systems with you.

The Chairman: Well, let me just make a comment on your comments and then I will turn to Mr. Saxe.

Mr. Saxe: I am prepared to pass, Mr. Chairman, to let the Senators have more time.

The Chairman: Well, fine. If you are prepared to pass, then I will pass. Senator Macdonald?

Senator Macdonald: Just two things to get back to the university press. Is there any influence apart from universities...

The Chairman: Who are you putting this to, Senator?

Senator Macdonald: Well, it doesn't matter, one of the editors.

The Chairman: Well, let us put it to Mr. Scarth.

Senator Macdonald: It concerns the university students. Now, after they are through university and go out do they still subscribe or is it just only through a short period while they are attending university?

Mr. Scarth: Almost exclusively only during the period they are in the university. This brings up an interesting point about the student press. Our attempt this year to go out into the community was blocked by financial reasons.

Mr. Fortier: To go where?

Mr. Scarth: The attempt by *The Gateway* this year to go out into the community was blocked by financial reasons and distribution costs but it is an interesting point that the university papers are realizing society and the universities are doing the same thing.

Mr. Macdonald: Well, the point I was getting at is this. Do the students themselves who graduate this year—would they continue to take the student press?

Mr. Scarth: No. This is why I would like to bring up the point that the student press is attempting to get into the community. Our attempt in the first part of the year was to all the high schools in Edmonton and for downtown distribution.

Senator Macdonald: Thank you.

Mr. Scarth: They are attempting to talk about things and I guess the best way to put it is student to citizen instead of student to student.

Mr. Fortier: Will that happen do you think?

Mr. Scarth: Mr. Stewart Saxe will probably give you a better indication. I am hoping it

will happen. It has happened in other places but it is usually done once a year. In the last two years the university papers have come out with a supplement. It is a well researched paper.

Mr. Fortier: Well, how far should this go, Mr. Saxe?

Mr. Saxe: I think it is going to stop, Mr. Fortier. I think it is going to stop because of the remarks that someone made earlier. I think it is something that is primarily done by a group that in most cases is presently in control of that press. As I said earlier, I have doubts about how much longer this form of media or that group is going to be in control of the student press.

Mr. Fortier: Don't you think it is economically possible for the student newspaper in any given community to reach out?

Mr. Saxe: Really it does depend on the specifics at the moment. It should have been economically feasible or possible in a given community but it depends very much on the specifics at that university, the student fees, the student councils, co-operation between the councils and the student newspaper when they are paying their fees. The student press, however, has been expanding more and more and in fact I came very close to bringing you in a sample today.

The Chairman: A sample of what?

Mr. Saxe: Of a community newspaper.

The Chairman: I would be most interested if you would send those in, please.

Mr. Saxe: Fine. They have been established more and more in the community in an attempt on a practical level to respond to some of the students who are saying "Well, what can I do today?" I can go out and can write up an article on the corrupt way in which downtown redevelopment is being handled". This is the type of thing which is not getting to the local press at all.

Mr. Fortier: This is the alternative that we were talking about earlier?

Mr. Saxe: Well, this is certainly one portion. There has been a search for members for some way of expressing a view to an alternative press. The other thing that has been done is that the press has occasionally gone out into the community on specific actions, or with specific issues, or in specific areas. Other times it has covered many things

affecting our community. The rate of times this is happening in the year is going up. In other words if you just wanted to plot a chart it is definitely on a marked increase, but I think there are too many things that will eventually affect it. What is happening is that it cuts off those other sources of papers that are available and I am sure this is the opinion of the McGill Reporter—the availability of offset printing, the cheapness of offset for eight tabloid size pages—we are producing more and more of that kind of paper in the community and Mr. Thomas earlier addressed some remarks to what that type of paper could do. It does not bring up the entire question which I think at some point lay on the table here, but I don't want to discuss it because of time.

This was in regards as to whether the printed media can respond. Can it possibly respond to any of the problems that we have raised?

Mr. Fortier: Is this brought about by one of the points that Mr. Chenoweth made that the commercial press continues to be very lackadaisical about coverage of events at the university?

Mr. Saxe: It has in some cases. At the University of Windsor last year they turned out a special community edition which was designed—not to acquaint the community with events, but to acquaint the community around them with the reality of the kind of university education that was going on and the kind of things that were happening at that university which for obvious publicity reasons the administration wasn't interested in talking about. I have certainly found that the universities I have attended, the local reporters are really in the hands of the administration. What appears, appears in the local press in the university towns. This happens with very few exceptions.

Mr. Fortier: Well, would Mr. Chenoweth care to comment on that?

Mr. Chenoweth: Well, yes I will.

The Chairman: Well, I think we should be clear that we are all trespassing on Senator MacDonald's question. I believe he has a second question.

Senator MacDonald: I have two more. This one I would like to address to Mr. Smith.

You mentioned the case of the news story of the Polish seamen where your journalists were ahead of the commercial press. What

about the other university or other student papers such as the *Dalhousie Gazette*. Did that cover the story?

Mr. Smith: I believe it did. At that time we were publishing on a Friday and they were publishing on a Wednesday and as a result we beat them there.

Senator MacDonald: Is there co-operation between *The Journal* and *The Dalhousie Gazette* or are they both on their own?

Mr. Smith: There is not co-operation in terms like—"Listen, we have a good news story and we would like you to help us run it". We are both members of the same co-operative and I would like to think that we operate, you know, in a non-competitive way.

Senator MacDonald: You say you distribute on each other's campuses. Do they charge St. Mary's students for their papers or are they free?

Mr. Smith: They are distributed without cost. We distribute I think between 800 and 1,000 on Dalhousie campus which is a drop in the bucket because I believe their enrolment is something like 7,000.

Senator MacDonald: My last question I addressed to any one of the student editors.

The Chairman: Supposing we address it to Mr. Scott at this time?

Senator MacDonald: All right. It seems to me that the editors have a great deal of authority from what I have been listening to to what goes into the paper, and somebody mentioned the fact that one of their responsibilities was to educate the student body. Various editors have been talking about publications and they mention "my paper". Now are there any checks or balances or criticism in the paper, in your own staff, as to prevent an editor becoming perhaps what we call intellectually arrogant?

Mr. Scott: Well, speaking in terms of my own paper, I think there is. Although I started this year with almost completely a green staff and had to institute a system whereby I was the final word. That is not the system I would like to see eventually. As it was, I held weekly staff meetings where I discussed what they wanted to do the following week. We discuss what we have done this week and the staff—and this works on a majority system—if the staff decides what my editorial said was essentially wrong, then they tell me.

They are presented the opportunity to change that. That hasn't happened this year by the way. I don't think it is because anybody is terrified of me, but I think it is just because I am in tune with what they think. There is a heck from my publisher, certainly. They can't put me under certain guidelines within my contract, but that is essentially it.

Senator Macdonald: Do you realize that there might be a danger there?

Mr. Scott: No, I don't think so. It is practically impossible. I think if anybody here said 'my paper', it only would mean the paper they represent.

The Chairman: Mr. Scarth and Mr. Smith both indicate that they would like to comment on this.

Mr. Scarth?

Mr. Scarth: On that first point, my paper is that anybody calls it, and secondly I think the checks and balances on a student newspaper are much closer than they are on a daily newspaper in the professional sense, and that there are fewer checks and balances by the time that you get up to the hierarchy—the managing editor—assistant editor—editor—ad publisher—than there is with the whole staff there. The staff and the editor are very close.

You will never find a reporter being able to put a check or a balance on a daily editor, but it happens all the time in the student press.

The second point which I think is very pertinent to determining just how serious this commission was and is about investigating the university press is, how many of the Senators here have read a university newspaper? How many of the Senators here have read a university paper recently, or have any of the Senators tried to get a hold of copies of the university press for the Senators to read?

The Chairman: Well, I think I should perhaps answer that on behalf of the Committee. There has been a very comprehensive research paper on the student press which has been prepared and the Senators have it and it is confidential, all of which I mentioned this morning. Ultimately it will be made public, but I should speak for myself and say that I read a number of student papers fairly regularly.

Mr. Scarth: Well, do any of the other Senators read the papers and why is that information in the report not available to us?

The Chairman: It will be.

Mr. Scarth: Well, would it not be better for us to have the same amount of information as the Senators do?

The Chairman: Well, that is a question which was put to us even before the hearings began by the Canadian Daily Newspaper Association and in our wisdom, or lack of it—and you may quarrel with the judgment—we decided that it would be more useful for us to have the research papers available.

I have said many times at the start and I say again now, particularly in light of Mr. Chenoweth's comment that this hearing phase of our studies as it relates to the student paper and as it relates to the daily papers, and radio and broadcasting, and so on, is certainly not intended to be nor is it in any way an end in itself. It is simply one phase of our study which began with a research phase which is now in the hearing phase and which will conclude with the deliberate phase and each phase more valuable because of the other. No phase an end in itself. We have given from time to time serious thought of making these research papers public.

Mr. Scarth: Well, we have no idea of what you are thinking?

The Chairman: Well, you will see. We are more interested...

Mr. Scarth: Well, how can we have a dialogue if we don't know what you are thinking?

The Chairman: Well, in a very few minutes when we gradually run out of time I am going to terminate the discussion and when I do I will make a point which I will make now and repeat then, that from our point of view this has been a very, very helpful day.

Mr. Scarth: Well, I don't think you have answered the question.

The Chairman: Well, I am not the witness.

Mr. Scarth: Well, are you putting me in a subordinate position or...

The Chairman: No, I am not putting you in a subordinate position. However, it puts me in a position of not having to answer any questions.

Mr. Chenoweth: I think we should set up a newspaper committee to investigate The Special Senate Committee on Mass Media.

The Chairman: Well, I can assure you, Mr. Chenoweth, that the press has investigated the Senate fairly frequently.

Mr. Scarth: May I ask the Senators a question?

The Chairman: Yes. The question the witness is putting is he was wondering if the Senators had read student newspapers recently?

Mr. Scarth: And what do you think about the research the Senate has already done and if it could be made available to us?

The Chairman: Well, they agree with that. I don't want to put words in their mouths...

Mr. Scarth: Well, I am asking for reasons?

The Chairman: Well, Mr. Scarth, you know I want to be as generous with you as I possibly can be, but I think if you were to go around the room and ask each Senator why our research has not been made public, it wouldn't really serve the purposes of the Committee. I will simply answer for the Committee and say that in our wisdom, and you may disagree—I shouldn't say may, perhaps you do, perhaps you don't—that we have decided that our approach to these hearings will be to complete our research phase and then with our research papers as background proceed into the hearings phase. In this context, we are treating the student press no differently than we are treating the weeklies, or the ethnic press, or the farm press, or daily newspapers.

Mr. Scarth: Well, I was questioning the basic concept that all the information available should be available to everybody.

The Chairman: Well, I take note of your point, it is an interesting one, but that is not the way we are doing it. I look forward to your comments when you see—ultimately you will see the research papers and I will look forward to your comments. Senator Quart, are you going to ask a question?

Senator Quart: Yes, this is my first dip into the Committee and I was delighted to hear from the students because I wonder if you young gentlemen realize—you say that we don't read your student press. Well, I for one differ with you. First and foremost I have had three sons at McGill. I have 23 grandchildren and three great grandchildren. Now, do you realize that if your parents don't always agree with you that later on they probably will and

you will be surprised by the influence you have on grandparents. I assure you—I have grandchildren in McGill, two or three in Loyola, Waterloo and I have had a graduate of Laval who dips with the press frequently and is writing a bit. When they get together like we do at various times during the year, don't imagine that the students are not heard. They are the most vocal of all the groups, so think you have a tremendous appeal.

Since I have been sitting here today I feel that you imagine that we are becoming your enemies because of the generation gap. Please don't feel like that.

Mr. Scarth: Well, I only asked the question but I haven't received an answer from the other Senators as yet.

Senator Hays: Well, I would be very pleased to receive it and I would be very pleased to pay for it.

Mr. Chenoweth: If anyone would like subscription I told David you could have one free.

Mr. Saxe: C.U.P. has one for \$150.

The Chairman: Mr. Fortier?

Mr. Fortier: Mr. Chenoweth, are you suggesting that there is a conscious effort on the part of newspaper editors and publishers—us talk about Montreal—a conscious effort on their part not to publish news with respect to the university?

Mr. Chenoweth: I do not think it is a conscious effort not to publish news. I just do not think that news at the university in the minds—what constitutes news in the university is such a minor level, you know, such as the appointment of a new principal. There is a point if I may deal with a particular case. McGill is supposed to appoint a new principal and you sir, if I am not mistaken, were appointed to the Board of Governors. Was it you that was appointed to the Board of Governors?

Mr. Fortier: Yes, that is right.

Mr. Chenoweth: Let us take the point of the principal.

The Chairman: You have been appointed to the Board of Governors of McGill?

Mr. Fortier: Yes, Mr. Chairman.

Mr. Chenoweth: From our editorial this morning—you are calling for a principals' poll on the principal question?

Mr. Fortier: I was not appointed because I read the *McGill Daily*.

Mr. Chenoweth: This principalship is of massive importance to McGill and Quebec. Obviously, this is the man who is about to deal with Quebec universities probably for the next decade and we all know what this is going to mean. I have yet to see one article in the professional type press examining what is needed, asking the student opinion over what is needed of looking into what McGill should be looking for in a principal. They just quoted the fact that McGill has a new principal three or five months ago and it has been a dead issue ever since. The thing is going to affect an entire province. There is not a conscious decision, but it is simply because this is not news to the readers. This is not what they want to read because this has very little interest to most people.

Mr. Fortier: I suggest to you it would be news to the reader.

Mr. Chenoweth: Well, perchance it might be. I obviously cannot speak for readership and it might be interesting, but the point is it is not in there nor are there any remarks about looking into the new chancellery, nor is the fact been presented in any viable form in the Montreal press. At McGill University the students are represented at almost all levels and there is now a student on the board of Governors. That one point has been totally ignored. This has raised a great heated discussion about tokenism and all this has been ignored.

Mr. Fortier: A student appointed by the senate?

Mr. Chenoweth: That is right. The nature of all this has been ignored. I would not condemn them because I don't think it is deliberate but this is not in a normal sector and is not what they have been told to cover. I don't know why. Maybe you can tell me why they don't cover it. I won't condemn it, because I enjoy working for newspapers.

Mr. Fortier: I was just going to say you have worked on newspapers, I never have.

Mr. Chenoweth: Well, I have worked on newspapers in Montreal. I am not party to this decision.

Mr. Fortier: Well, you may have heard people comment within the newspaper as to why it is that they do not consider it worthy news?

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Mr. Chenoweth: Mr. Fortier, these decisions are made on priorities and whether you are a newspaperman with the responsibility of presenting news which involves the world, Canada, province to city, the university often falls lowest because this involves your whole concept of society. It may be due to the fact that an awful lot of the senior men are not university graduates, because of the nature of the press in the thirties and forties. The press was more of a craft and not of professional journalism, and even now it does not really exist as an academic field in Canada. The number of journalism schools I think you can count on one hand. They are undeniably—well, in my opinion, very poor. Most paper editors I have spoken to would rather have a kid who has a general liberal arts B.A. to work on a paper than anybody from Carleton or Ryerson.

Mr. Fortier: Did you say that you editorialized on the appointment of a principal yesterday in *The Daily*?

Mr. Chenoweth: They were calling for a principalship poll amongst the students and we were putting up certain candidates—not putting up the student council suggested list of candidates—we were writing these men asking them what they thought should be required of the principalship, and if the council did not hold it, for *The Daily* to hold it.

Mr. Fortier: As you know, there are some students on the committee—sitting on the committee now.

Mr. Chenoweth: Well, as you well know, sir, or may know, they are boycotting it.

Mr. Smith: I have a question which I was going to ask at this point.

The Chairman: Well, again Mr. Smith we will attempt to answer it subject only to the fact that you are a witness. We are not, you know, and those are the ground rules, but by all means go ahead.

Mr. Smith: It is based on two things on what Mr. Scarth was saying and on something you, yourself, said, Senator Davey, this morning. You said that you have here a fair cross section of the university press. I am curious to know on what grounds the papers were selected because, in fact, you don't have a fair cross section of the university press. You have three of the largest papers in Canada and one of the smallest. I am sort of curious to know on what basis these were selected?

The Chairman: Well, I have an answer to that if you will let me find it and I will let Mr. Thomas give an answer.

Mr. Thomas: I just wanted to take exception to the picture that Mr. Chenoweth has presented about the coverage of the university affairs in the City of Montreal. I do know for a fact that the *Montreal Star* has five members of the newsroom staff who covers university matters almost exclusively. In addition, there are many feature articles by senior staff writers about basic issues that have been developing within the various universities within the city over the past two or three years. I think the pages opposite the editorial pages has—particularly the *Montreal Star*—have regular features and in-depth articles by local, national and international writers, largely from within the field of higher education. I think the French press through *Le Devoir* and *La Presse* are to a considerable degree well tuned into campus events. The fact that the Board of Governors does have a student now was covered in a significant way by television, radio and the *Montreal Star* and the *Gazette*. I think that—you know, as a matter of fact as far as we are concerned, and I know my experience at McGill and my relationship with the information office is that we have a fantastic amount of work to keep up with press inquiries and providing documentation and background material to reporters and people who are working on the development of material of various sorts for the university. I don't think the impression should be given here that at least in the Montreal situation—and I certainly can't speak for other situations in other cities in different parts of Canada—but I think the universities are quite well served in terms of coverage of news events. In fact, some complaints are being received by the *Montreal Star* that it has given too much coverage to what the people might consider as non-news things and the internal workings of the university. So, I just wanted to say that for the record.

The Chairman: Mr. Chenoweth?

Mr. Chenoweth: In my terms, the type of news I am dealing with, the last person that I think the reporter should come to speak to is the information officer at the information office at McGill Administration. The type of news that I was talking about is the news in the student area, of students' concern, and I think to myself why in the hell don't they come and speak to us.

Secondly, the news fact alone—you must admit that they have articles on irrelevant things. A news article on page 48 is not the same as an article on page 7. The only analysis I have seen on the university environment has been in the *Saturday Star* in the editorial section which is an entire section on analysis on everything under the sun, and I have a feeling that most people don't read it because it is just a waste—not waste, just so much in it. It is where you put something that counts. Maybe we should say “Well, does it deserve the priority we are giving it”, which is a point of argument.

Mr. Thomas: Just to answer you on the point of the function of the information service—this is something that was not discussed today. Really, the reporter does not rely on the information office for interpreting. What the information officer does is direct or attempt to direct reporters to people, who can comment on the things that were discussed, and certainly to get the student point of view is something that is always stressed in the McGill information setup.

The Chairman: Well gentlemen—I go back to your question, Mr. Smith. You asked me earlier about how the people were chosen and I have a note which I was going to read this morning as I rather expected the question would come earlier on. If I could read:

“The *McGill Daily* was selected as a newspaper in which the editor was replaced by council due to the style of newspaper wanted on campus. The *McGill Daily* is produced on campus where an administration press also exists.

The *St. Mary's Journal* was chosen because it was an activist newspaper from eastern Canada which has an editor who is involved as a participant or an observer in conflict with the administration point of view. A paper widely read on campus and whose side is representative of 18 of 55 student papers of campuses with 2,000 or below enrolment.

The *Gateway* was chosen as an activist newspaper from western Canada which has moved this fall from a triweekly to a daily publication.

The University of Western Ontario *Gazette* was chosen to replace Bob Verdun of the *Chevron* who was replaced by a student council at the university of Waterloo. We made this particular replacement at the suggestion of Mr. Stewart Saxe who is the president of CUP.

We asked *Le Quartier Latin*, the French language student press in the province of Quebec, whose readership is within the student community and has active political views. They of course didn't come as you know.

The McGill Reporter, an administrative produced newspaper with an important publishing purpose serving as an alternative to the student media and a second purpose of meeting broader goals than those handled by the student press and presenting to a wider community.

The University of Toronto, *the News and the Bulletins* were chosen, because they were administration-produced journals serving to inform of activities at the University and produced as an alternative to the student publication.

The Laval University Information office was chosen as an alternative to the French Language Carabin in the Province of Quebec.

And finally the Canadian University Press is representative of the co-operative news agency of 85 per cent of the student newspapers in Canada."

I have a footnote if I may, Mr. Saxe. We understand that no one that has been invited speaks for other than themselves and not for the university or not necessarily for the particular press or organization of which he is a part.

I think, Mr. Saxe, I made that clear this morning or at least I tried to.

Mr. Saxe: Mr. Chairman, just because it is a matter of record, I think I should read the following.

The Chairman: By all means.

Mr. Saxe:

"In accordance with the by-laws of the Federation of Students University of Waterloo Incorporated and the statement and principles of Canadian University Press, the staff of *the Chevron* the student newspaper at the University of Waterloo petitioned the Canadian University Press to institute the investigation commission on a procedure that is mentioned here in our by-laws and is in there as a safeguard for our editors, newspaper publishers, a group of

newspapers who feel that the statement of principles of Canadian University Press had been violated by a paper."

Now, in accordance with that the staff petitioned the national executive and asked for an investigation commission to investigate alleged violations or the statement of principles by Mr. Verdun at the time he was editor of *the Chevron*.

Now, the Canadian University Press instituted the investigation in accordance with the by-laws and at the beginning of the investigation Mr. Verdun saw fit to voluntarily resign as editor of the *Chevron*. The investigation in itself had no provokial powers since it was also in accordance with the statement and principles of the Canadian University Press. We believe that an editor should be fired only by the people who hired him and at the University of Waterloo that is a combination of the staff of the student newspaper and indeed the student council.

The Chairman: Thank you, Mr. Saxe.

Well, I think we will terminate by having Mr. Scarth, Mr. Thompson, Mr. Fortier, Mr. Saxe, then I think that will be the end, I believe. Mr. Scarth?

Mr. Scarth: There is one basic point. It is a small point but I would like to mention it. Student newspapers at least in one province, my own, and I believe in two other provinces, are not allowed to carry advertising for—basically what we call the tribunal—that is the Provincial Liquor Board. I think it is a question which is worth looking into and I could send you some information on the five year fight that has been going on at the University of Alberta. They do it basically on the basis—they say it is a young readership. Considering it is a specialized readership, and the average age in our university now is about 21, I think they should take all the advertising of liquor out of the *Edmonton Journal*.

The second point is—I have read in the press criticism that there weren't enough reporters and people who were doing the actual day-to-day work coming before the commission. It was stated that you were basically taking your views from the publishers and editors, and I know from my own personal experience on *the Edmonton Journal* that is a long way off. I was wondering whether or not there were reporters coming before the commission?

The Chairman: Yes. We have had several groups of reporters before our Committee already representative of the Society of Professional Journalists. We had an English speaking group from Quebec and we had an English speaking group from the Canadian group. We had a group of French speaking reporters from the French Society of Professional Journalists, and we have had a number of groups of reporters. We are always anxious to obtain more news from the members of the working press and if I may just add to what Mr. Fortier said, if you would be good enough to send us the information on liquor advertising because that is not the first time that that matter has been raised, we would be very interested to hear from you.

Mr. Thompson?

Mr. Thompson: I would like to make some perhaps more personal comments or remarks and I will start off by saying to Senator Hays that I worked through college and my father walked ten miles to school several years because they couldn't afford a horse. So I have some sort of understanding of where that so-called social garble comes from. But regarding some of the suggestions that Mr. Chenoweth made I think the commission should—I give you my mandate to recommend whatever you can, will or wish to about changes. I would only add that I don't think that the kind of pluralism of putting a few pages of literature and making those pages available does anything to change the nature of the press. It results in the same thing that Mr. Chenoweth himself talked about. That is the fact that interesting news is being placed on the back pages in the midst of a paper that is full of advertising about capitalism and doesn't really change or evolve any free play of ideas. I would refer the commissioners to press the tolerance until it is a little more conclusive.

I think that a number of the Senators in questioning about individual events on different campuses would say is it the sort of situation on your campus, or would say is it because of the revolutionary action? Those "revolutionary actions" did not come about because of the papers or what they are saying or doing. Those come about because of the actual situations in their experience on the campuses and as evidence of this I will cite again Mr. Chenoweth's remarks, and I quote—this isn't exactly verbatim but I believe it is close. To people or readership

any concrete change is challenging. They don't mind intellectual ways. That is what he said and I agree.

I think where you indicated about jobs for yourself and the *McGill Daily* talks about the jobs, and this is because they feel the kind of oppression. Your relationship to the university, I believe, is well summed up when you said under the academic for your years now and in a few months they will decide whether you get out of university or not. I think that is the kind of situation which is bringing about the reactions on campus. It is just a reaction against that maternalism. It isn't revolutionary. I think that the commissioners should look into the history of papers in English Canada and watch for those papers that are getting smashed by the editors of the empire and which papers are being abolished. I think this comes about in two ways. It comes about, I think, by the students deciding that the paper is irrelevant.

However, it does not come about by pressures brought about by advertisers. I think it comes about as in the case of the *McGill Daily* because of the fact that those people who are on the paper decide to push to the extreme their viewpoints particularly because they don't want to be on that paper any more because they feel that the university is not the correct forum to work in. The wage earners struggle and a lot of them leave and develop themselves in the community and community newspapers, and I think that is particularly the case in Quebec.

The other case comes in spite of their ineffectiveness and there is a large history of this when the newspapers start to criticize in any way whatsoever the provincial Government, the federal Government, or the university administration—especially when it starts to take the papers out in community issues and talk about such things as the university budget such as in the case of the Regina campus a year or a year and a half ago. Last fall—a move came up, the provincial Government requested the Board of Governors that they stop the paper due to criticism of the cabinet ministers and they cut off the university fees. I think these are the things we have to worry about, advertising, or grants from student councils. I think that is my closing remark, Mr. Chairman.

The Chairman: Thank you. Mr. Fortier?

Mr. Fortier: Since Mr. Saxe will close the debate, Mr. Chairman, I will direct the last question to him.

The Chairman: Well, in fairness to Mr. Saxe...

Mr. Fortier: Well, I was just wondering to whom I should direct this question and I think I should direct it to him.

The Chairman: Fine.

Mr. Fortier: Much has been said about campus magazines this morning and I would like to read from an article by John McHugh, publisher of *The Campus*, and the title is "The Student Press, What's Wrong?" John McHugh is managing editor of *the Gazette* for the University of Western Ontario.

The Constitution of the Canadian University Press states in part, and I quote:

"The major role of the student press is to act as an agent of social change striving to emphasize the right and responsibility of the student citizen."

Last year while the student press strove to accomplish this they failed as newspapers.

He goes on:

"They failed because they did not reach the mass of students who are necessary to effect any change. This is a problem when politicians run the press and with few exceptions it was politicians who ran the student press in Canada last year."

Would you care to comment on that?

Mr. Saxe: Well, I am going to comment very briefly. First of all it is something that I wanted to say all day. There is no one who doesn't hold an ideology. You, all the members of the Senate, and all of us here hold to an ideology. We practise it. We practise it in deciding what we are going to do and how we are going to do it. We have a political ideology. Unfortunately today there are some people who maybe because they don't have to exist or have to recognize exactly what they are doing. I think the student press has always been in the hands of politicians because anyone who is going to be active in their society, they could be defined by that as being a politician who is actively going to play that role. I think all reporters, all editors, all people involved in the student press are as much politicians as anybody sitting in the room. In other words there is a definition of politician—what he is actually saying is ideolize. Everyone holds to an ideology.

Mr. Fortier: Has the student press failed?

Mr. Saxe: I think we have already said that in many ways the student press has failed, but I don't think or know what else could have been done at the time. I think it is trying to learn from its failures. I think the people who are running the student press are going to learn from their failures. That is why much of our critique today may seem as far as the student press is concerned a negative critique because of much of what comes out of what we have said. Actually this is a real possibility in the student press and all of the press, because they are just not capable in the actual dynamics of what it is—printing words on paper and the transmission of communications in that way.

To be successful in the line we are talking about we say that from all experiences there is a very real possibility that that is true. I am going to say something that I think from any point of view of journalism—any journalist who has any familiarity with that article would say it was bad journalism—I think he would have said that when he was working for the *Georgetown Herald* where my critical views were very different.

The other side, the other group was never even asked.

Mr. Fortier: Well, we have other good articles.

Mr. Saxe: At any rate, I think that is a disappointing article.

Mr. Russell: Further on that, about this objectiveism that we are involved in and saying "You are a politician because you are doing something different from what I am doing" is the fact that further down in that article there is a section that you didn't point out which states that papers which McHugh picked out as the brightest light in Canadian journalism is precisely the *McGill Daily* that was recently purged.

Mr. Chenoweth: It was not purged.

The Chairman: Well, Mr. Saxe, I wonder if you could state—you said you wanted to make an announcement.

Mr. Saxe: Well, I think I said all I am going to.

Mr. Russell: Mr. Chenoweth has stated several times that they were the best newspaper in Canada but they were also the most outrageous.

Mr. Fortier: It is not such a bad article.

Mr. Saxe: At some point during the last two hours two things occurred to me. One, we didn't present a brief and I am sure in view of all the reading that has been presented to the Senate Committee has lightened the load somewhat, but I would like to return to a suggestion that it would be unlightened if indeed and surely I feel that the members have been honest in saying that they found some of the ideology which was presented today interesting.

If indeed they have found that and I have said many times that we were doomed to many kinds of shorthand. I know most of my colleagues would recommend different texts. The list of texts I would like to recommend one that I feel to a large degree could be read in substitution for our brief and I think it should be read by the Committee. This is a book by Herbert Marcuse entitled *One Dimensional Man*. I think this would be very, very crucial to the kind of research you are doing and the work you are doing. As a matter of fact I came very close at lunch to running down to the Classic Book Store and if they had had 29 copies I would have rushed back and said we have just published a brief. It is easily read, I think, and is cogent to many of the points that have been brought up here this afternoon.

The second thing that occurred to me is that I have some sort of economic reality as the President of Canadian University Press, so I thought I would begin the debate all over by mentioning that subscriptions are available for the Canadian University Press and that for the very, very token sum of \$150 a year you can get subscriptions to our entire membership, because a subscription to all of the members comes with it. You also receive our daily news service in a weekly package. In other words we save it up and send it out all at once. If you pay more we will send it to you more regularly. Our daily news service runs about an average of six stories a day during the academic year and probably for many people who are interested in what is happening at university it is at last a good source of some information. Even the University of Toronto Information Office subscribes to it.

The Chairman: Thank you very much, Mr. Saxe. Mr. Chenoweth?

Mr. Chenoweth: I just wanted to rewrite three points. I just wanted to make sure and say that there is no conspiracy in the Montreal press. Nor the university press. I just think that it is an unfortunate situation which could be improved and secondly I want to agree with Stewart Saxe that the Canadian Press is political. This is a great thing because it should be political. The only question is that some of them are effective and some of them are ineffective. I think you might well consider what is an effective press and I believe you might have some additional hearings on it to give it some thought.

Thirdly, I think a subscription to the Canadian University Press would be a great idea for the Senators.

The Chairman: Thank you.

Honourable Senators, if I may thank our guests on your behalf—Mr. Villeneuve, Mr. Russell, Mr. Thompson, Mr. Saxe, Mr. Jones, Mr. Chenoweth, Mr. Scott, Mr. Smith, Mr. Searth and Mr. Thomas.

I would close by saying that I am in a sense disappointed that Mr. Saxe referred to a second ago on what was going on here as a debate. Somewhat earlier on this side of the table there was reference to an investigation of the student press, and I assure you, Mr. Saxe, and whoever it was that made reference to the investigation, that this is neither a debate nor an investigation. It is a study and it will only be meaningful if it includes some examination of the role and function of the student press in the board media spectrum. My disappointment is at least offset by some modest delight at leaving the room feeling perhaps something like a right winger. This is a new experience for me and it is rather an interesting situation.

I must say in candor that you have given us whether you intended to or whether you wanted to—I am sure you have wanted to—but you have given us I think a great insight and a good working insight into not only the student press but the student community at large. As well I must also say that your attitudes towards the mass media and the attitudes of most of you to the mass media in Canada has brought to the Committee's attention a set of views which often—up to this point at least we haven't had put forward, so we are grateful for that. I must

sincerely think you all. I might say to any of you that if you have any additional thoughts or information or ideas that you would care to send them along, we would very much appreciate it. The hearing phase of our study will go on until mid-April. We would be delighted to hear from you. The committee adjourned.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 18

WEDNESDAY, FEBRUARY 11, 1970

WITNESSES:

Canada Ethnic Press Federation: Dr. J. M. Kirschbaum, LL.D., Ph.D., President; Mr. Charles E. Dojak, Immediate Past President; Mr. Lech W. Mokrzycki, Advertising Consultant; Mr. Vladimir Mauko, Secretary.

Canadian Scene: Mrs. Barbara Osler, President; Miss Ruth G. Gordon, Editor; Mr. John Gellner, Vice-President; Mrs. Douglas Jennings, Vice-President; Mr. Trevor Hamill, Director.

Dr. Stanley Haidasz, Member of Parliament (Parkdale).

Mr. Charles Caccia, Member of Parliament (Davenport).

Canadian Business Press: Mr. Gabriel Marchand, President; Mr. George Mansfield, General Manager; Mr. Aubrey Joel, Vice-President; Mr. J. V. Deragon, Committee Member.

Business Press Editors Association: Mr. W. Bruce Glassford, President; Mr. Gilles Véronneau, Immediate Past President; Mr. Barry Kay, Chairman, Toronto Chapter; Mr. George Keefe, First Vice-President; Mrs. Doreen Sanders, Director; Mr. Alan Hewittson, Director.

Post Office Department: Honourable Eric Kierans, Postmaster General; Mr. F. Pageau, Director of Postal Rates and Classifications; Mr. G. M. Sinclair, Assistant Deputy Minister (Finance and Administration); Mr. William Houle, President, Canadian Union of Postal Workers.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, *Chairman*

The Honourable L. P. Beaubien, *Deputy Chairman*

Beaubien
Bourque
Davey
Everett
Hays

Langlois	Prowse
Macdonald (<i>Cape Breton</i>)	Quart
McElman	Smith
Petten	Sparrow
Phillips (<i>Prince</i>)	Welch

(15 members)

Quorum 5

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,
The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,
The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, December 18th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That Rule 76(4) be suspended in relation to the Special Committee of the Senate on Mass Media from 20th to 30th January, 1970, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative, on division.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—
The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—

Resolved in the affirmative.

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

WEDNESDAY, February 11, 1970
(18)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (*Chairman*); Beaubien, Hays, Macdonald (*Cape Breton*), Petten, Quart, Smith and Sparrow. (8)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Dr. J. M. Kirschbaum, LL.D., Ph.D., President, Canada Ethnic Press Federation;

Mr. Charles E. Dojak, Immediate Past President, Canada Ethnic Press Federation;

Mr. Lech W. Mokrzycki, President, New Canadian Publications, Advertising Consultant to Canada Ethnic Press Federation;

Mr. Vladimir Mauko, Editor of Slovenska Drzava, Secretary, Canada Ethnic Press Federation;

Mrs. Barbara Osler, President, Canadian Scene;

Miss Ruth G. Gordon, Editor, Canadian Scene;

Mr. John Gellner, Vice-President, Canadian Scene;

Mrs. Douglas Jennings, Vice-President, Canadian Scene;

Mr. Trevor Hamill, Director, Canadian Scene;

Dr. Stanley Haidasz, Member of Parliament (Parkdale);

Mr. Charles Caccia, Member of Parliament (Davenport).

At 1.10 p.m. the Committee adjourned to 2.30 p.m.

At 2.40 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (*Chairman*); Beaubien, Everett, Langlois, Macdonald (*Cape Breton*), Petten, Quart, Smith and Sparrow. (9)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. Gabriel Marchand, President, Canadian Business Press;

Mr. George Mansfield, General Manager, Canadian Business Press;

Mr. Aubrey Joel, Vice-President, Canadian Business Press;

Mr. Jack Deragon, Committee Member, Canadian Business Press; Vice-President, Marketing, National Business Publications;

Mr. W. Bruce Glassford, President, Business Press Editors Association;

Mr. Gilles Verronneau, Immediate Past President, Business Press Editors Association;

Mr. G. Barry Kay, Chairman, Toronto Chapter, Business Editors Association;

Mr. George Keefe, First Vice-President, Business Press Editors Association;

Mrs. Doreen Sanders, Director, Business Press Editors Association;

Mr. Alan Hewittson, Director, Business Press Editors Association.

At 6.00 p.m. the Committee adjourned to 8.00 p.m.

At 8.00 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (*Chairman*); Beaubien, Everett, Langlois, Macdonald (*Cape Breton*), Petten, Quart and Sparrow. (8)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Director of Research; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

The Honourable Eric Kierans, Minister of Communications and Postmaster General;

Mr. G. M. Sinclair, Assistant Deputy Postmaster General (Finance and Administration);

Mr. F. Pageau, Director, Postal Rates and Classification Branch, Post Office Department;

Mr. William Houle, President, Canadian Union of Postal Workers.

At 10.30 p.m. the Committee adjourned to Thursday, February 12, 1970, at 10.30 a.m.

ATTEST:

Denis Bouffard,
Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Wednesday, February 11, 1970

The Special Senate Committee on Mass Media met this day at 10:00 a.m.

Senator Keith Davey (*Chairman*) in the Chair.

The Chairman: Honourable Senators, I might call the meeting to order, please. This morning, we move to yet another significant area of the Canadian mass media structure; particularly we turn to a study of the ethnic press, and this morning we are going to receive a presentation from the Canadian Ethnic Press Federation, followed later this morning by a presentation from Canadian Scene. I should say to the Senators and to our guests that although we are examining the ethnic press in the hearing phase of our study this morning only, you should realize, as I think you do, Doctor and gentlemen, that we have prepared a great deal of background information and done a great deal of background research on the ethnic press generally. This information is available to the Committee, and I think you are familiar with some of this research, and ultimately we are hopeful that this information, which, I think, is in the public interest will be made available.

At the same time, the research papers are not, by any stretch of the imagination, ends in themselves, and they become far more meaningful because of the presence here of people like yourselves.

If I could introduce our guests: sitting on my immediate right is Dr. J. M. Kirschbaum, who is the President of the Canada Ethnic Press Federation, and serves on the editorial board of "*Kanadsky Slovak*".

Sitting on my immediate left is the Secretary of the Ethnic Press Federation, Mr. Ladimir Mauko who is as well the editor of "*Slovenska Drzava*".

At the right end of the table is the Immediate Past President of the Canada Ethnic Press Federation. That is Mr. Charles E. Dojack. Dr. Dojack is from Winnipeg, and publishes a

group of Ukrainian newspapers, and at the left end of the table is Mr. Lech Mokrzycki, who is an advertising consultant in the area of the ethnic press generally. In particular, he is here today as a part of the presentation from the Federation.

Dr. Kirschbaum, if I may speak to you first as President, the briefs we requested were received some three weeks in advance as we required. They have been circulated to the Senators, and generally they have been studied, and I think for purposes of our discussion this morning, we can take your brief as read.

At the same time, I am now able to offer you ten, twelve, fifteen minutes—I won't say as much time as you need, but that long if you need it. You needn't feel that you must use all of that time but you may to summarize the contents of your brief, to expand upon it, to explain it or anything else which may be on your mind.

Following that, the Senators will put questions to you, which will deal with the contents of your brief or with your oral comments. Indeed, they may wish your views on matters which you do not raise either in your brief or in your oral statements. If, at the time of the question period, there are questions you wish, in turn, to direct to any of your colleagues, you will be free to do so.

Dr. J. M. Kirschbaum (President, Canada Ethnic Press Federation): Mr. Chairman, Honourable Senators, Ladies and Gentlemen: I didn't prepare a separate statement, but I am very pleased to have the opportunity to make a few remarks on the ethnic press.

As we stated in our brief, the ethnic press was serving the various communities for more than eighty years until now, and there are over one hundred newspapers in about eighteen languages published across Canada.

We have some similar problems to the rest of Canadian mass media, but we have also specific problems because our press serves a community which is a little different, at least in the first years of immigration, from the general Canadian public.

Until now, the ethnic newspapers were published mostly by the sacrifice of editors, publishers, which are mostly the fraternal organizations, and, of course, by contributors.

Probably only the ethnic press is published without paying anyone for contributions.

The other feature of the ethnic press is that, of course, it has to deal not only with Canadian matters, which at the present time, most of the papers give a large percentage of their coverage, but with the matters which any other Canadian paper doesn't deal with.

It deals with the problems of various communities. In addition to it, there are many times problems of the country of origin, because there are, of course, still people who couldn't forget where they were born; and especially in the Second World War, many Canadians, who are naturalized Canadians, were under Soviet rule. The people in ethnic groups and the editors of ethnic newspapers feel that it is their duty towards their country of origin, as well as their duty towards Canada to fight for freedom, for democracy, as we understand it here in this country.

Then, this press has a special mission, and it is actually a mission to serve the community here which cannot be reached or be reached only partly by either the English or French papers. The second mission is to help the countries or the struggle of the countries who are not free or who have different systems than democracy to achieve freedom and democracy.

Most of the papers started in a very modest way by sacrifices of a few individuals, and, of course, if the community is large like the Ukrainian, Polish or recently Italian, then there are many papers, and some of them are six to eight pages; some are weeklies; some are twice a week; some are monthlies. All together, there are hundreds and hundreds of publications in ethnic languages, but with what we call "newspapers", it is about hundred and twenty across Canada.

Now, the readership is very hard to determine because it is a sort of family paper. Then, we can guess quite seriously that about two million people read the ethnic press; some only the ethnic press. The percentage again is very hard to determine.

There are studies. Professor Richmond published a book on this subject where it is indicated that in some communities up to sixty-five per cent read only the ethnic press. In other communities of course, the percentage

is different because some groups have been here for a long time like, for instance, Ukrainians, Poles, Slovaks and so on. They started to move to Canada in the 1880's, and started to publish their papers right after their arrival.

Also, many American papers in ethnic languages were coming here. This problem was studied, but we didn't come to any exact figures on how many people read the ethnic papers and are influenced.

Now, the mission of the ethnic press towards this country is primarily to introduce the country to the newcomer, to make him acquainted with the laws and customs of this country, to help to integrate him into the Canadian nation.

This service, sometimes in the past, was overlooked, and the editors and publishers of the ethnic press complained in the past many times that they didn't receive adequate help in comparison with the service they did to the community and to Canada.

Especially recently, there are problems which probably can hit the ethnic press very hard because the cost is rising. As I mentioned, about eighty per cent of the ethnic press is published by organizations who contribute, but the members are against increasing subscriptions. The editors are less idealistic than they were in the beginning to work for nothing or for very little pay.

Then, the ethnic press goes through serious problems, especially since the increase of postal rates, and since the decrease of government advertising in the ethnic press.

The ethnic editors and publishers would like to say to this Committee that the first purpose of the ethnic press at the moment is to serve Canada, to help a large segment of Canada's population to become better Canadians, to take part in the public life in Canada; but, of course, it is expected that the various government departments and government agencies would help this press to survive.

There are many newspapers who can survive because they have behind them large and financially quite rich organizations, but there are many papers who are really now published only because of the sacrifice of the editor who sometimes works in a factory or in some other business during the day, and makes his paper at night or on Saturdays and his community is very small, especially the educated part of the ethnic group. You know that until about 1950, Canada did not admit

any educated people from other than Great Britain or France—then of course, we have either first or second-generation of Canadian-born people who many times don't read or write in their mother tongue, or we have now mostly editors who came after the Second World War who are educated in Europe, and who, of course, at this time, would expect to be paid properly for their job, especially since they are convinced that they perform a service to Canada. If the Government on various levels had to do the service to the ethnic community which now is about twenty-six to twenty-eight per cent of Canadian population, it would cost much more than the ethnic press has received until now from any government of this country.

This problem is quite serious, especially since last year, and we were asked by the delegation here to mention this to Senate Committee.

As far as the ideological polarization of the ethnic press is concerned, of course, we have ninety-nine per cent of the press which is on the side of democracy. There are a few papers who side with communist regimes in their country of origin, and they are not members of our Federation or regional association.

There is a very similar polarization to the Canadian press, but still there are some differences. Of course, the editors educated in Europe and still taking an interest in the problems of their country of origin, there are many times you can say the polarization is closer to the press than it was before the Second World War in Poland or in Czechoslovakia or in Yugoslavia and so on.

It means the press doesn't follow the Canadian pattern, Liberal, Conservative, NDP or Communist. We have some who side with Communists, but it is not the exact pattern the press follows, but it is democratic up to ninety-nine per cent.

Now, another feature of the ethnic press is, of course, that it tries also to educate. It is not only an information press, either on Canadian matters or on the matters of the country of origin, but they still try to keep alive the traditions of their country of origin, the culture, the literature. There are many who are writers, who publish books and poetry in their mother tongue in this country.

There is a problem, of course, how to look at this literature, which is extensive. Is it a part of Canadian literature or is it a part of

Polish or Ukrainian or Italian literature? We are inclined, as Canadians, that it should be considered as a part of Canadian literature, but from the Canadian side, there was no claim until now on this literature either in book form or published in newspapers, magazines, almanacs and so on.

Now, besides newspapers or weeklies, bi-weeklies or we have even dailies, there are, of course, in the ethnic press, almanacs and there are magazines. There are papers which are devoted just to literature and to education.

These papers also face big problems now, and the reason besides the rising cost and the little advertising and the rising postal rates, is the general cost of life and claims of the editors and publishers to be paid properly. We cannot claim to be paid as well as Canadian editors or correspondents or people employed in mass media like radio and television.

We know that the situation for the ethnic groups is quite different, but the problem is here.

This would be a few remarks I would like to make in introduction of the brief. I would just add that I only did the brief in answer to the questions on a Canadian Press Council.

The Chairman: Yes.

Dr. Kirschbaum: We discussed the problem, and, of course, we feel that especially during the past decade in the Canadian mass media, there were tendencies which were not very much liked by many of the ethnic groups, especially as far as the moral side is concerned—sexual problems and religious problems. Also there is a feeling that very often that the Canadian press—there are exceptions—generally it goes after sensations.

There is a feeling that if a body can be organized which would somehow regulate this trend without, of course, limiting the freedom of the press—if there is a body which could help even in the ethnic press or any other press to settle problems of attacks on persons or on groups, which sometimes should be libel suits—but of course, as I say, the ethnic people don't have ten or twenty thousand dollars to deposit with a lawyer to defend their honour—if such a body, and I did some reading on the British Press Council, could be organized, then we except for our group in the West who didn't feel that we should be part of such body, we think it should be organized.

We in Ontario, and the majority of the press is in Ontario—we would be for such a council, but we don't think that there should be a special council for the ethnic press. We feel that we should be treated with the rest of the Canadian mass media, with a little special regard for the functions and the situation of the ethnic press which I tried to outline there in my remarks or in the brief.

Now, since I speak only on behalf of the Ethnic Press Federation, I omitted to mention that there are many radio programmes in ethnic languages. In this regard the ethnic groups have problems because many stations simply started to stop renewing programmes in ethnic languages either in Quebec or in Ontario, and of course, there is no TV in ethnic languages and ethnic groups appear only on the invitation of either CBC or other TV media.

The Chairman: Thank you very much, Dr. Kirschbaum. I think you have covered many of the points. We are delighted that you did.

As I said, if you wish to pass on any of the questions to any of your colleagues, please feel free to do so, or if the Senators wish to direct a question of any of Dr. Kirschbaum's colleagues, they should feel free to do so.

I think Senator Sparrow is the first questioner this morning.

Senator Sparrow: Dr. Kirschbaum, you made reference—you felt there were two million readers. Canadian Scene is making a presentation later today and they refer in their brief to a circulation of about seven hundred and fifty thousand, with three million readers. How would those figures compare with yours?

Dr. Kirschbaum: Now, I said it is a guess, because our papers are mostly family papers, and we know that family newspapers are read, but not all read the paper in the family; for instance, my children don't, or not all of them. Then, it is a guess.

I think they are as close to the figure as we are. Now, we were rather modest as is perhaps our advertising expert, when he said probably we should put two million, but it is between two and three. It depends, of course on the group. It is hard to say, because there is no direct study.

As far as the circulation is concerned again we cannot give exact figures. Our guess is up to one million because not all papers disclose exactly what is the circulation, but from our

studies, during the years, our sincere and honest guess is about one million.

Senator Sparrow: Two million, one million?

Dr. Kirschbaum: One million circulation and over two million readers.

Senator Sparrow: I see. Are there press clubs within the ethnic press? I understand there is one in Winnipeg.

Mr. Charles E. Dojack, Immediate Past President, Canada Ethnic Press Federation: Yes, we have a Canada Press Club in Winnipeg. We made a submission at the request of Senator Davey. I don't know if you got it.

The Chairman: Yes, we did.

Mr. Dojack: These were merely observations as submitted, because we realized that the Federation was making a proper brief and rather than present an additional brief we presented observations.

In our introduction, we mentioned that the Canada Press Club of Winnipeg was formed in 1942, during the War, in an effort to coordinate the ethnic papers and the war cause and from there developed a wider range of an ethnic press organization, and to the development of an ethnic press federation, and there are ethnic press clubs in British Columbia. There is the British Columbia Ethnic Press Association. There is the Ethnic Press Association of Quebec. There's about eight members in Montreal, and there are about ten members in B.C. In Winnipeg, we have about thirty-eight members in our Ethnic Press Club, and I think there would be about forty or forty-five in Toronto, the Ontario Ethnic Press Association.

Our press club in Winnipeg did not support the formation of a Press Council; however, we did stipulate that should, however, such Council be formed, its effectiveness as far as the ethnic press is concerned, would depend on the Federation participation in the deliberations and decisions of such a Council.

The reason for that was that we felt the problems of the ethnic press were somewhat different than the English and French press in Canada.

The approach could be made with deliberation with the member or representative from the Ethnic Press Federation.

The Chairman: Just supplementary Senator Sparrow, what is exactly the real

tionship between these clubs and the Federation? Are all the clubs members of the Federation?

Mr. Dojack: Oh, yes, we are all members of the Federation. The Federation is the national body and the individual press associations are localized with their individual problems, and we work very closely with the Federation.

By the way, it is interesting:—amongst ethnic groups, it is the only organization in Canada where you will find Chinese press, Japanese, Jewish, German, Ukrainian, Polish—all ethnic groups working together.

It's a unique organization in that regard. There is no other organization in Canada where you will find all these ethnic groups working together for a common cause of building a stronger and more unified Canada.

Senator Sparrow: You mentioned Chinese press. Have you Chinese press in your Federation?

Mr. Dojack: Yes, we have a Director, Mr. Roy Mah, who is one of the Vice-Presidents of our Federation, the publisher and editor of the *'Chinatown News'*.

Senator Sparrow: Do you associate the ethnic press with the other newspaper associations, such as the Publishers' Association or the Editor's Association?

Dr. Kirschbaum: Now, no special association with them—we are still independent or we are alone.

Mr. Dojack: The individual publications could be.

Dr. Kirschbaum: Yes, but they are special association or regional clubs. We have no special ties, but individual publishers, of course, have.

Senator Sparrow: You have some individual publishers that belong?

Mr. Dojack: Oh, yes.

The Chairman: Senator Sparrow, I don't think, has taken the answer. Your question is: o they have individual publishers who belong to the CDNPA or the Managing Editors' Conference? I don't think you do.

Dr. Kirschbaum: Not in Ontario.

Mr. Dojack: There are some members who belong to the Canadian Newspaper

Association or the Manitoba Weekly Newspaper Association or the Winnipeg Press Club, but they have no association, to my knowledge, with the Canadian Publishers' Association.

The Chairman: With the exception, presumably, of *Corriere Canadese*? Is it a member of the Federation? He is also a member of the CDNPA, I think.

Dr. Kirschbaum: There may be some individuals.

The Chairman: Senator Sparrow.

Senator Sparrow: What about Jewish-English-language newspapers? Are they a part of your group?

Mr. Dojack: Oh, yes.

Dr. Kirschbaum: If I may, it is the only exception. According to our by-laws, we include only papers published in other than English and French, but the Jewish paper, even if published in English, was admitted to the press club in Winnipeg, and the publisher is first Vice-President of the Federation.

Mr. Dojack: He publishes in English.

Dr. Kirschbaum: The Toronto Jewish newspaper didn't ask for membership. They are not, but in Winnipeg, they are members of the Federation.

Mr. Dojack: We have three Jewish papers that are members. One is published in Yiddish. The others are in English.

Senator Sparrow: They are the only English-language newspapers, then?

Mr. Dojack: No, there are some others. There is the *'Icelandic Quarterly'*. It's published in the English language. There might be some others, but their basic trend and their interpretation and their audience is all of that ethnic group.

Senator Sparrow: You made reference, and I am not so sure I follow it, to having done no studies or little study on your readership, and you referred to Professor Richmond having done a study. When was that study? When did that study take place? Do you know?

Dr. Kirschbaum: Our own studies or the Richmond studies?

Senator Sparrow: Professor Richmond's study.

Dr. Kirschbaum: He published his book—I think I put it into the brief—in '66, if I am not mistaken. If I am not mistaken the book was published before the Centennial Year.

Senator Sparrow: But you, as a group, have done no studies?

Dr. Kirschbaum: No, we published the last thing about six years ago, a study on the ethnic press. In the meantime, we ask at every biennial meeting about the situation, but it is not a scholarly study. But six years ago, we published general information on the ethnic press and we gave approximate numbers and names of publishers and editors and so on. That is a published study, but it was six years ago, the last one, and at different general meetings, we discussed our problems and of course we could gather some information.

Senator Sparrow: In our studies and in your brief, I believe in your brief, you say that new immigrants tend to keep the ethnic press alive. Is this a correct statement: that you require these new Canadians to keep it alive. Maybe at the same time when you answer, would you have an idea what the life expectancy for readership of a new Canadian would be? Would they disappear within a year or two years?

Dr. Kirschbaum: It would be very hard to say, but just logically since the Second World War, the number of papers increased to a degree that even papers who expected to die were enlarged and new papers in various groups were established and published. For the first time now we have, for instance, an Italian daily; and the German press has increased considerably, as has the Polish press since the Second World War.

Then, certainly the influx of immigrants after the Second World War prolonged the life and new papers, like Portuguese, for instance, started because Canada admitted Portuguese immigrants. We even had some attempts at admitting a paper published by people from India, and it was not done before.

Then, certainly the influx of immigrants not only prolonged the life, but caused the increase of newspapers to a great degree after the Second World War. Now if the Spanish immigration continues, certainly there will be a Spanish newspaper. For instance, Canada admitted many thousands of Slovaks and Czechs after the Soviet occupation. Now, there is a new paper in Toronto since that

time. There is no doubt that if immigrants will come here, they will prolong the life of many of the existing papers or new papers will be published. At least the experience of this twenty years since the end of the war warrants this statement.

Senator Sparrow: Very good.

The Chairman: Are you going to return to this question of facts and figures? May I ask a question. I would like to put it to Mr. Mokrzycki. We are old friends so you won't mind me asking you a very unpleasant question. I think you can answer it. I think the Committee would be most interested in the answer.

You are one of the chief people selling national advertisers on using the ethnic press. You are one of the most important people in this area in the country. It must be enormously difficult trying to sell advertising to the national advertisers who have become very sophisticated and selective and statistic-orientated, with really nothing more to go on than just general, sort of off-the-cuff information about the readership.

We have had a good example this morning. Canadian Scene says three million. Dr. Kirschbaum in his brief says two million, and in effect he says, and I am not being critical, Doctor—he says, "What's a million?". A million is a lot, as you know better than I do when you are trying to sell advertising; so the question I would like to put to you and with just one other note in preface, and that is, we have had before us the Canadian Daily Newspaper Publishers Association. We will be having the Magazine Advertising Bureau next week. We will be having the Magazine Advertising Bureau next week. We have the broadcasters coming. We have all of their sales organization, and they are, and I think you know this, armed to the teeth with facts and figures. When they go in to call on General Motors and Coca-Cola, they can practically tell you how many left-handed teenagers in Calgary read their particular publication. This is the kind of information increasingly which agencies demand; so how on earth do you cope with this problem?

Mr. Lech Mokrzycki, Advertising Consultant: Mr. Chairman, Honourable Senators ladies and gentlemen:—Now, as far as you question in regard to the circulation and readership, according to the statements provided by individual newspapers and published in Maclean-Hunter's *Canadian Advertising Rates and Data* every month, the recent

total circulation of all ethnic dailies, weeklies, that appear in a section called "Foreign Language Publications" is approximately seven hundred and fifty thousand copies. This is total circulation.

As far as readership is concerned, we conducted, or Gruneau Research conducted a study for the ethnic Press and about the ethnic newspapers in Canada, and at the time the study was conducted, Gruneau Research estimated that the average readership of ethnic newspapers is three and a half million.

We took the modest figure of some two million readers, multiplying seven hundred fifty thousand circulation by less than three.

I didn't have a chance to read 'Canadian Scenes' presentation, but I would say that if they suggest that the readership is four instead of three and a half, they are probably also correct in many, many instances, especially with ethnic newspapers in some groups.

I mean, an ethnic newspaper is not an identical newspaper in every group. We are dealing here with approximately one hundred publications publishing in more than twenty-five languages, and the readership of the Italian newspaper or Greek or Portuguese would be different from the readership of a German newspaper, for example.

Why? As far as our studies are concerned, our knowledge and information provided to us by individual publishers, the Italians, Portuguese or Greeks, consider the newspaper as the only source of information especially as they don't have any other information at least in the early years.

If we look back some five, six years ago to the Toronto market, there was no single Portuguese newspaper in Toronto. If I recall correctly, there was no single Greek newspaper, and at that time there was only one Italian. Now, we have four Italian newspapers in Toronto, a few Portuguese, a few Greek and I believe that entire Greek, Portuguese or Italian community depends on these; therefore, I think the readership differs.

We cannot, of course, generalize and put all the eggs in one basket, but at the same time, we are as close as we can be, if we are forced to generalize, if we are asked to determine what is the total circulation.

Now, as far as your remarks as to the sophistication of the media in general and the requirement of advertising agencies are concerned, I would say that we are aware of this

problem, and we consider ethnic newspapers at the moment as much more sophisticated media than it was some twenty years ago.

It's hard for anybody who is not familiar with the language of the newspaper for those people in the public service either in Ottawa, or in Ontario, to glance at the ethnic newspapers for comments or to determine a stand that an individual ethnic newspaper is taking on one specific matter.

Those people comment quite often about the different points of view, about the sophistication that the ethnic press right now presents when taking a stand on, let's say, the most important events in our Canadian life or on matters of international interest, or relations between Canada and the country of origin, you know, of one specific newspaper.

Now, when I am selling advertising and promoting any media, it is not an easy task, and you emphasized this, and I know that you are very aware of this, but at the same time, we have much more than the figures, and we, of course, are asked many more questions than just the figures.

We are also asked how many Italian women live between Dufferin and St. Clair in Toronto; but with assistance of individual publishers, we are trying to answer this question, and we are doing this through individual presentations that are prepared especially by us to deal with specific problems, to make an accommodation for one specific advertising agency, for one specific client.

The Chairman: Could I just interrupt you long enough to ask: which national advertiser, setting governments aside, would be the largest annual advertiser in the ethnic papers in Canada? Is that possible to say?

Mr. Mokrzycki: Yes, since I was prepared for this question to be put here, I have in front of me a list, and to generalize, national advertisers that are using ethnic press, besides the Federal, Provincial and municipal governments are—if we like to group them—banks and let's say investment funds, groups, airlines, other lines of transportation like steamship lines. There are breweries, distilleries, there will be some food producers, some consumer goods producers...

The Chairman: Which would be the single biggest? If you can't say, I am not trying to pressure you. I am just interested to know who.

Mr. Mokrzycki: Well, I could say I don't want to single anyone because I just don't

have the figures here, but I could say that there are large banks, Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce. Among breweries, there is Molson's Brewery and Carlings. Among the distilleries, I remember off-hand Seagram, Schenley, Hiram Walker, McGuinness, Acadian. Those are just a few examples. Amongst airlines, airlines related to the country of origin, such as Alitalia, Lufthansa, Sabena, KLM, but also...

The Chairman: Would you agree with me that you have got one of the toughest jobs in Canada?

Mr. Mokrzycki: Senator, I think so; if it were not for the reason that I happen to believe that it is a job to be done by somebody, I believe I would switch to probably a simpler job, but as far as belief is concerned, we believe that to bring immigrants here is only part of the job. To make them happy citizens of this country is another job. In our opinion, that is part of the job of the federal government and the department responsible for immigration, in this instance, the Department of Manpower and Immigration. However, since we don't get the support that we would like to receive, although we had many favourable supports all in the last ten years, as I recall, from the leaders in the public service in the Government of Canada, we believe that somebody has to do the job, and to refer to the question of the Senator who asked the question before if it is true that the ethnic press is alive, I mean that new immigrants keep the press alive.

The Chairman: Perhaps we could return to Senator Sparrow.

Mr. Mokrzycki: Yes, I would like to return with one comment, that not only immigrants keep the ethnic press alive, but the ethnic press keeps immigrants alive.

Senator Sparrow: Just further on that particular point—I am jumping a little—in your brief on the bottom of page seven, you say, "There are no translation problems for advertisers and no additional costs. To our knowledge, no advertising agency has ever been charged", and so on.

Do the advertisers believe that statement?

Mr. Mokrzycki: They do believe and they are aware of this. Translation service is provided by individual publishers or by media representatives presenting it in the newspapers. This is done free of charge and is done

as a service to advertisers and advertising agencies, not only to solve the problems, but also to guarantee uniform and identical translations for, let's say, three or four German papers or three or four Italian newspapers, just to assure a national advertiser that the message is delivered in a proper form and the message is translated properly.

Senator Sparrow: So, this is not a selling problem then?

Mr. Mokrzycki: No, this is not a selling problem. This is a service.

Senator Smith: May I ask: is this really, in fact, a good translation of the English version or are these specially designed or specially written in the language in which they are intended to appear?

Mr. Mokrzycki: The reason for translation for offering the service, is that we intend to provide the best translation. As a rule, I would say that it isn't a literary translation of the English message because when we deal with the fact, or let's say with a slogan—I would just like to comment here on a slogan I remember, "Put a tiger in your tank". We could hardly imagine putting a tiger into the Greek tank or the Italian tank, and therefore we had to find an equivalent. Looking for a proper linguistic equivalent, this is what we are trying to accomplish, and this is why this is done in offices of media representatives of ethnic newspapers, where people have been doing this for the last ten or fifteen years and they specialize in this sort of translation.

Senator Smith: Is this a very difficult area particularly to transpose from the language in which it was written, which would likely be English or French, into the language in which it would be printed? Slogans, for example—isn't that a very difficult area? Coca-Cola slogans in English aren't the same in French. I am sure they would be far different in any of the other languages.

Mr. Mokrzycki: I believe that this is a very hard job, and quite often we are asked to be involved from the beginning in the planning that takes place in an advertising agency. Before they decide to use the media, they ask us for an opinion of what we think is going to happen to a slogan or to the question or to the headline, and at which time we try to investigate the matter further with individual translators in newspapers, and to answer the question before they make the final commitment. But actually I don't remember when a

advertisement was turned down because of the translation problem.

The Chairman: Thank you.

Dr. Kirschbaum: I just failed to stress that as far as translations are concerned not only advertising but of articles, the ethnic press is very grateful, and I wish to stress it here, Canadian Scene. Canadian Scene provides the ethnic papers with articles on Canadian life, either on the history, culture, geography and so on, and it is a service for which we wouldn't really pay, and they also provide translations.

They have for each language an educated translator, and in this respect, I think the translations are regularly very good. This, as President of the Ethnic Press, I would like to stress—I see Mrs. Osler and Miss Gordon here—the ethnic press is indebted to Canadian Scene for a great help without asking a penny for the service. This is a service not only to the ethnic community, but to Canada, because their articles are especially about Canadian matters, about culture, history, geography and so on.

Senator Sparrow: I believe it refers in one of the briefs to fourteen translators. Is that sufficient to cover twenty-five languages? Is that sufficient overlapping?

Mr. Vladimir Mauko, Secretary, Canadian Ethnic Press Federation: I could probably answer that. There are some smaller publications, maybe just one publication in one language, and sometimes these publications ask them to supply them material in English because usually they are monthly, and they have sufficient time to translate that in their own language. Otherwise, it will be probably too costly to Canadian Scene to translate just one article for one publication, especially if that article is for one particular period of the year. It would be a waste of money for Canadian Scene.

I know for my own publication, we ask them to supply the English information because the editor of Canadian Scene reads the paper.

What I like to ask here, if I may...

The Chairman: Yes, by all means.

Mr. Mauko: ...is that I am Acting President of Ontario Association because they are mentioned. We have over thirty publications, and we have even associate members like the new Canadian publication which is represent-

ed by Mr. Mokrzycki here, and what this fellow asked me at the last meeting is that I should stress a point here. Is it possible that when the Government places advertising in the ethnic press—that it should direct the agency, which is placing the ad. That the agency should not just look to see if we reach a market of fifty thousand and over, because not every nationality is represented in Canada by fifty thousand immigrants. Those are paying taxes too who have fewer members in Canada, and they have the same right to get the information as the others are getting. So if it's possible they should not exclude the small papers because sometimes it's just done by five or six or seven bigger papers getting ads and the rest not, and then if you take a look, maybe only half of the ethnic population get the information.

The other half is represented probably by one hundred per cent more publications than the others and they are left out because they have a smaller number of readers, because they are smaller publications. But they still serve the same purpose, this is for the unity and for the better progress of Canada. They are sometimes completely left out because no advertising is coming to them because they say "It is only one publication for the whole of Canada, and you are publishing just five thousand. We want you only if you have fifteen or twenty thousand readers. Then we will place the ad." I think this is a mistake for the smaller publications. They have the same right to receive this information.

Senator Sparrow: I understand that the ethnic press received about \$64,000 in federal government advertising. I understand as well that in March, I believe it was, 1969, you sent a delegation to Ottawa to try and get additional advertising funds from the federal government.

I believe the figure that was mentioned and promised to you was \$120,000.

I would like to know two things:—who did you discuss this with when you were in Ottawa, and have you received an additional amount or if, in fact, you received \$120,000 in Government advertising?

Mr. Mauko: Well, I could answer just partly to that, Mr. President, and answer that in general.

We were received by the Prime Minister at that time, and the promise was made by him that day when we visited his office.

The Chairman: What did he say?

Mr. Mauko: I have the figures here that he approved. It was between \$116,000 and \$117,000 for the coming year.

The Chairman: One hundred and...

Mr. Mauko: Seventeen or sixteen, I can't remember. That's what he said and we were about nine men in the delegation at the time he made that promise. We also saw at that time some other ministers and the honorary president here, and Mr. MacEachen, and I could say for my paper, one of the smaller papers, that up to now, we didn't feel anything different from last year. Now, maybe some larger publications filled that amount from \$65,000 to \$115,000. I have no knowledge of that. Probably Mr. Mokrzycki could answer.

The Chairman: Dr. Kirschbaum...

Dr. Kirschbaum: Now, I just wish to complete the information. The Prime Minister was prepared for receiving us, and he knew we would complain—or some of us would—because part of us are interested mainly in the ideological and cultural side of our press, and there are, of course, publishers who are interested in advertising. But the Prime Minister was prepared and he said, "Oh, yes, I know. We received your complaint, and you complained you didn't receive enough, and the figure for this year will be approximately close to \$120,000." We also discussed it with the Secretary of State, Mr. Pelletier.

We have very good relations with the officers in Ontario from that Department, and he also said that he would try somehow to help us. But how much we received, I think the only person who knows how much approximately we received would be Mr. Mokrzycki. He can answer because he deals with advertising.

The Chairman: Mr. Mokrzycki, your comments, please?

Mr. Mokrzycki: Yes, today is, I believe, February 11, 1970, and the fiscal year ends on March 31st, and since the time that some indication of the increase in federal advertising for the ethnic press was made, I believe, in March, '69, there is no single advertisement or no single federal department that advertised in the ethnic press which would indicate that that increase will be made or that some progress is being made, unless something will happen between now and March 31st.

The Chairman: Which is unlikely?

Mr. Mokrzycki: There is an indication that the Department of National Revenue will place some information about income taxes which we recommended for several years because we believe that those people have to get that information in order to fulfill their obligation properly.

Also, I heard that there was a small portion of the Department of Labour budget allocated for the ethnic press, but an advertising agency informed me last week in Toronto that the campaign has been temporarily stopped; and there was also an Unemployment Insurance Commission series of advertisements that was originally planned, but none of the ethnic newspapers received any, so as far as the rate of today is concerned, we cannot say that there is any indication of increase.

The Chairman: If you received the Department of Labour campaign, the Unemployment Insurance campaign and the National Revenue campaign, would you reach the \$120,000?

Mr. Mokrzycki: It depends on the size of the advertisement as well as the number of newspapers that will be included in the campaign.

The Chairman: But it's conceivable?

Mr. Mokrzycki: Yes, everything, I believe, is conceivable.

Mr. Dojack: Well, Mr. Mokrzycki, answering that, would you not confirm that the lineage used by the federal government for the present year is actually less than it was last year?

The Chairman: Good question!

Mr. Dojack: It's actually less than it was last year.

Mr. Mokrzycki: Mr. Dojack mentioned lineage, and I was asked the question in terms of dollars. As far as lineage is concerned, yes, I agree. I believe the Departments are working within the same budget, and therefore because of some increasing rates here and there, they have to cut the size of the advertisement.

Senator Smith: Mr. Chairman, could I ask a question on this very point? Do you estimate the equivalent amount of Federal Government advertising or publicity that would compare at least on an equal basis with the amount that is given to the English or French?

language weekly newspapers across the country?

Mr. Mokrzycki: Should I answer this question?

The Chairman: Yes, please.

Mr. Mokrzycki: No, we don't. This is the very point that we are trying to make. The total budget of Federal Government advertising was twenty-four million dollars. Excluding Crown Corporations, I believe it was eleven million dollars, and in the fiscal year that ended on March 31, 1969 we received around sixty-four thousand dollars out of eleven million dollars scheduled by different federal departments.

Now, I don't believe that that is in proportion to the population that's represented or the number of readers that subscribe to the ethnic press.

Also, I believe that if we leave the matter of proportion aside for a while, there are some departments that have an obligation towards immigrants to provide them with the basic information. I would like to emphasize here the Department of Manpower and Immigration as an example.

I believe that this is the department that should provide basic information for those people who find themselves behind the language barrier for at least a number of years, or a few years. Let's leave aside discussion of his three, four, five or six years or whatever, but nevertheless there are people who find themselves behind the language barrier until they are able to read fluently in English or French.

Senator Smith: I think, Mr. Chairman, that that point that was just stated is a very valid one, and perhaps that should be explored by all concerned, but it's still not clear in my mind whether, apart from that kind of advertising which you referred to just a moment ago, which wouldn't ordinarily appear in the weekly press, are you getting the share that's the equivalent of that general advertising that goes to the weekly press. I didn't understand your answer.

The Chairman: I believe he said he is not, didn't you?

Mr. Mokrzycki: Yes, I said that.

The Chairman: Well, I think he did. Now, I would like to ask another question. Why

aren't you? I just hoped to follow it up. Why not?

Mr. Dojack: Could I answer that a little bit just to take the pressure off Stan?

The Chairman: I hope he doesn't feel he is under pressure.

Mr. Mokrzycki: I don't.

The Chairman: I am sure you don't.

Mr. Dojack: I think an interesting comparison to your request for information is provincially too, the provincial governments. It is interesting to note in Manitoba, the Manitoba weekly budget for advertising from the Manitoba government last year was \$160,000. The same allocation towards the over twenty ethnic publications in our province was less than \$10,000.

Senator Sparrow: Sorry. That was \$160,000 and you, the ethnic press, received \$10,000 of that?

Mr. Dojack: Yes; now I agree most of the ethnic press don't just serve a local area, and perhaps this is part of the reason. Most of our papers are national in nature. Our papers have a correspondent in Toronto, Vancouver, Edmonton, Regina. We have a Manitoba page and a Saskatchewan page, as well as a national page; so in that respect, there is some difference. I think that exists to some extent, maybe not to that proportion as far as the federal government is concerned. There are certain departments that give us more lineage, such as the Department of Citizenship, than they give the Canadian weeklies because they are directing their advertising to our audience. But getting back to an earlier question, too, regarding the advertising agencies and the purchase of...

The Chairman: Well, before you get back to that, Mr. Dojack, I would like you to...

Mr. Dojack: There was one other thing directing to this.

The Chairman: I am sorry.

Mr. Dojack: I was going to reach it in another way.

The Chairman: All right, fine.

Mr. Dojack: A lot of the government departments, and we mentioned this in our observation—well, every government department has an advertising agency, and not all, but many of the agencies find it expedient to use the

English press rather than the ethnic press. Their rates are higher. The amount of commission is a little more remunerative. There is less production cost; no translations. They know what they are publishing. We often wonder whether it's right or not, but I think they kind of take the easy road out. In our observations, we did mention that some agencies, and thank goodness there are not too many, find it easier to deal with the mass media rather than a select market, and many advertisers...

The Chairman: Would you care to specifically indicate which agencies?

Mr. Dojack: Well, let us take the...

The Chairman: If that answer would prejudice your position, then don't answer it.

Mr. Dojack: Well, I think the Department of Revenue, for instance—we always used to get four 800-line schedules directed on the Canada Savings Bond issue. Now, in discussing this with the Minister, he has indicated to me that he always wanted that same lineage used, but yet when we get the ad. from the advertising agency, which is MacLaren in this particular case, we only get one ad now. It's been cut, and we think the buyers of Canada Savings Bonds are...

The Chairman: If I may just make a correction? Well, I think you are going to correct him on the department.

Mr. Mokrzycki: He said Department of Revenue. I said Department of Finance.

Mr. Dojack: Thank you. That is correct.

The Chairman: Now, let me hasten to add I have absolutely no brief from MacLaren Advertising, but you would agree with me that they are the largest agency in the country, billing the most money? They have a great number of international accounts like Imperial Oil, General Motors, an endless list, as you know better than I do. Would you honestly have us believe, and if you would, say so—that their people are too indifferent or too lazy?

Mr. Dojack: I wouldn't use the word "lazy".

The Chairman: Or indifferent or too inactive to go to the trouble of advertising in the ethnic papers?

Mr. Dojack: Well, they are running one 800-line ad, on the Canada Savings Bonds.

The Chairman: Well, why do they not run more?

Mr. Dojack: Well, previously, the Department has always run four 800 line ads. Now the market has expanded in the ethnic field, and they are far more acceptable to purchase Canada Savings Bonds than ever before. Yet because the mass media, television, colour TV and so on is consuming so many of the dollars, they feel that they have to cut the ethnic press, the special market, down, and we are suffering because they are directing more dollars to the mass media.

Now, they probably feel that that's where they are going to sell more of the bonds. They possibly have more of the government interest at heart, to some extent, but it is doing damage to the lineage offered to ethnic publications.

The Chairman: Well, I want to return to Senator Sparrow, and pause for one moment—would the rationale not perhaps also be that they reach your reader through national television and through national magazine advertising and national radio and so on?

Mr. Dojack: This is possibly true. I wouldn't want to say that they are discriminating against the ethnic press. I am not saying that.

The Chairman: I realize that.

Mr. Dojack: They are using us, but they are cutting down on our lineage, and they are directing it into other areas, perhaps because they are getting a greater impact. But we always feel we are being gradually reduced, and it won't be very long before we may not get any lineage from that particular department. I think, as far as that particular issue is concerned—I think our publications can do a very outstanding job. Our people are very prone to accepting Canada Savings Bonds and purchasing them because they know they have a...

The Chairman: Well, I may want to come back to this point, but I would like to come back to Senator Sparrow.

Senator Sparrow: I understood that your association was happy with the Ontario Government and the Manitoba Government as far as advertising in the ethnic press was concerned.

You seemed critical of the Manitoba situation. Would you have a dollar figure of what

all provincial governments spend on ethnic press advertising, so we can compare it to the federal budget?

Mr. Dojack: The total figure?

Senator Sparrow: Yes, of all provincial governments.

Mr. Dojack: Well, it would be very difficult to give you, but I think the major ones are Ontario and Manitoba where we have got a more active organization.

I might say in the case of Manitoba, it wasn't but then years ago when their budget was in the vicinity of \$500 for all the ethnic press; so our association has built up a recognition in the Manitoba Government in recent years, but I would think that your budget would be what—about \$40,000?

Mr. Mokrzycki: As far as I know, there is some \$40,000 allocated by the Ontario Government for advertising in the ethnic press, and you mentioned \$10,000 for Manitoba. That would be \$50,000. I am not aware of anything in British Columbia, and I know that there is some in the Province of Quebec, but I don't know to what extent.

Mr. Dojack: I wouldn't think it would be in excess of \$60,000 all told. I don't think it would be in excess.

The Chairman: Senator Sparrow, have you got anything for Mr. Dojack?

Senator Sparrow: I will leave that just for a moment at least. You referred to government assistance in some area for the ethnic press apart from advertising.

Are you suggesting government grants to the ethnic press or what are you really suggesting so that it wouldn't affect the freedom of the ethnic press, as such?

The Chairman: Dr. Kirschbaum?

Dr. Kirschbaum: Now, Mr. Chairman, when we were received by the Prime Minister, there was an idea that some way should be found to help the ethnic press, especially since the postal rates were increased in some cases by up to two thousand per cent; but there was no practical way indicated how to solve the problem. We were told that the Departments will look to help somehow the ethnic press to survive or at least to get some compensation for the losses we are suffering as a result of the increased postage rate, and, of course, increased cost. But so far, nothing

was done, and if it is a grant or if in some other way, the departments could help, it was not worked out. It was a discussion, an indication that they would look for some ways.

The Chairman: Well, I think Senator Sparrow's question was: would you be in favour of grants?

Dr. Kirschbaum: Of course, we want to be independent politically, but in view of the fact that this press serves the interest of a group in a way which other media cannot serve it and it is serving or giving information or education or help in integration, which other media cannot do, somehow we feel that there should be a way to help to do this job of integration, of education, for the New Canadian, for new arrivals and so on, but there is no clear idea of what it should be.

If it is a grant for educational purposes of the new immigrants or immigrants who are here but still remain as immigrants, probably the ethnic press would accept that, but we would still say we wish to be politically independent, of course.

It means that if there is a Liberal Government, next time a Conservative Government and a Labour Government, we wouldn't switch from one to the other. We want to simply perform the service we have done until now to the Canadian community, which is neither Anglo-Saxon nor of French origin.

Senator Sparrow: Canadian Scene appearing later, I believe, are suggesting government grants to them. If a grant was made to that organization, would that suffice? Would that still maintain your freedom of the press?

Dr. Kirschbaum: No strings attached, I think it would help prolong the ethnic press, and the role the ethnic press plays for one-third of Canadian population.

The Chairman: Could I ask a question again? It is a question of political independence that we spoke of. You make a reference in your brief—you say, "Except for the *leftist* newspapers, which do not fall into the Canada Ethnic Press Federation"—how many Leftist newspapers are there in Canada? How many Leftist ethnic papers are there in Canada?

Dr. Kirschbaum: We have in Ontario, I think, three.

Mr. Mauko: I think so.

Dr. Kirschbaum: Three in Ontario—there is none in Quebec.

Mr. Dojack: None in Manitoba.

Dr. Kirschbaum: None in Manitoba.

The Chairman: What do you mean by "Leftist"—Communist?

Dr. Kirschbaum: Communist.

The Chairman: Now, might I refer to a quotation which appeared in an article which I am sure you are familiar with, which was in the *Globe and Mail Magazine* July 12th, 1969, entitled "Babel is a Corner News-stand". Quoting it in part, he says,

"The ethnic press is as vigorously anti-Communist as it is pro-Canada",

and I believe that you mentioned this in your opening statement, Dr. Kirschbaum.

It goes on to say that:

"Dr. Kirschbaum, president of the federation, last month asked External Affairs Minister, Mitchell Sharp, for assurances that Canada's opposition to communism would not be changed. We want to see Canada in the role of a fighter."

The next paragraph quotes Mr. Rudy Tomich—I hope I am pronouncing his name correctly—a Toronto real estate salesman, and Editor of "*Nas Put*" a Croatian monthly—he says:

"We wouldn't need ethnic newspapers if there were not threat from the Communists".

Would you agree with that statement that "we wouldn't need ethnic newspapers if there were no threat from the Communists"?

Dr. Kirschbaum: Certainly not. Even those groups, whose country of origin is very good still need ethnic papers. Some ethnic papers were organized after the Second World War by new refugees mostly for the purpose to fight communism in their own lands; for instance, some ethnic groups during the war from among the Slavs, and of course the Soviet Union.

Then, it was an inner struggle, and after the war when the Soviet Union made an orbit in Central Europe, of course other papers also joined the ranks to fight Communism. But regardless of Communism in Eastern Europe or not, I think that the ethnic groups would still publish and would need the ethnic papers in their own language.

The Chairman: Well, now, Mr. Mokrzycki said earlier that the circulation of the papers belonging to the Federation is about, if I quote him correctly, seven hundred and fifty thousand. What would be the circulation of the so-called "Leftist" papers in Canada? Could you guess at that, Mr. Mokrzycki or Dr. Kirschbaum?

Mr. Mokrzycki: Five thousand.

The Chairman: Five thousand?

Mr. Mokrzycki: Total.

The Chairman: Per what—per week?

Mr. Mokrzycki: Total circulation of all publications per issue, about five thousand, yes this is just a guess.

The Chairman: Senator Sparrow?

Senator Sparrow: Going back then just a moment on that statement by the way—the assurance you asked for from Mr. Sharp—what was that Dr. Kirschbaum? Would you elaborate on that?

Dr. Kirschbaum: I was not quoted exactly. I read it when it was published. It was a long discussion and we discussed many things, and I, on behalf of the Federation, was invited to join Canadian correspondents in a conference two or three times. Then I discussed with Mr. Sharp just as you read, and I mentioned that the majority, but not all of the ethnic press of course, expect that Canada should have some clear idea as far as Communism is concerned; and that we should be rather fighting it than just be neutral or not interested in it. There were at that time—of course, there are some who feel that probably this is a different ideology and we shouldn't be very much interested in it, a different system. We should build bridges and forget about what happened in 1945 in all the countries behind the Iron Curtain. This was a casual remark, but the idea is there, that the majority of ethnic editors and papers feel that Canada should fight Communism inside and outside and not just take the view that it is another system, and so far we have to make agreements with the countries with this specific Communist system.

The Chairman: Would you think that the Senators might agree that it's regrettable that Dr. Kirschbaum wasn't with us yesterday Senator Sparrow?

Senator Sparrow: And does the ethnic press take a stand on the recognition of Red China?

Dr. Kirschbaum: Some newspapers commented negatively. Some just put it in their news.

Senator Sparrow: No particular stand by the ethnic press?

Dr. Kirschbaum: There was no general opinion because our papers are still independent. We have a Federation but our association doesn't try to direct the policy of the papers; the editors would not accept it. But the views vary. There were some negative political comments and there was news taken out from other television or dailies.

Senator Sparrow: Going back just for a moment on your statement on postal rates, you say on page seven that it is not unfair to state that the average increase is about one dollar per paper per subscriber in reference to the new postal rates. Is that an actual figure?

Dr. Kirschbaum: Yes, the group in the West prepared the brief. Our Vice-President, Mr. Mazack and Mr. Dojack made a study, and they gave some examples and they came to this conclusion.

Senator Sparrow: Would that be daily, weekly or monthly or yearly?

Mr. Dojack: That would be the on an annual subscription.

Senator Sparrow: Oh, it says "about one dollar per paper."

Mr. Dojack: Per year for postage—to meet the postage increase.

Senator Sparrow: Oh, I read that as a dollar per weekly newspaper; that is, an additional cost of fifty-two dollars per year.

The Chairman: Where are you reading from, Senator?

Senator Sparrow: Page seven, the third paragraph.

Mr. Dojack: No, no, that's meant on the far-round basis, a one-year subscription. The average cost of a weekly subscription is in the vicinity of six to seven dollars at the present time. Some have gone up to eight dollars. Some have gone up to nine dollars.

I would think the average subscription rate now would be in the vicinity of seven dollars. I would think a good number of the Ontario papers are within Ontario; whereas most of

the Western papers are national in scope, covering Canada from coast to coast with a fair circulation in every province, and they are more affected by the postal rates than many of the papers in Toronto. For this reason, the responsibility of preparing the brief and filing it on the postal rates was left with the Western group to complete, and in that regard, we did find that the increase in postal rates would require an average of one dollar increase per subscription; that's per yearly subscription per publication.

Senator Sparrow: How many of the ethnic press have been forced out of business directly attributable to postal increases?

Mr. Dojack: I wouldn't say directly.

Dr. Kirschbaum: So far none, because we hope that we will find some remedy, and they were again approaching the Government, I think, in January, and are waiting to find ways to save the paper. I don't think anyone stopped publication.

Mr. Mokrzycki: I want to correct the statement.

The Chairman: Mr. Mokrzycki?

Mr. Mokrzycki: Yes, there is a Maltese paper in Toronto that ceased publication because of the financial difficulties.

Senator Sparrow: Which one?

Mr. Mokrzycki: The Maltese paper in Toronto.

Senator Sparrow: Is that the only one?

Mr. Mauko: There was a Finnish paper in Toronto. They published before three issues a week. Now, they are publishing two issues per week for the same price, and they did have quite a big difficulty explaining to their readers why they changed, but otherwise they would have to charge so much more for their subscription.

Mr. Mokrzycki: Since the question was how many ceased publication, I had entered only one, but what Mr. Mauko is adding here, it is a case with many publications. Many of the ethnic publications had to find some other way such as publishing once a week instead of three times or two times or publishing six pages instead of eight pages and things like that. Different publications used different approaches to be able to survive regardless of the increased postal rates, but as far as ceas-

ing publication, we know of one newspaper in Toronto.

Mr. Dojack: I think there will be many more before the end of this year. I would predict that there will be at least a half a dozen.

Senator Sparrow: Unless there is a change, or is it too late for change?

Mr. Dojack: It might be too late even now.

Senator Sparrow: I am sorry. Time is getting on, Mr. Chairman. There may be other questions. Could I just ask a couple quickly?

The Chairman: Sure.

Senator Sparrow: Just for the record, how many of your membership are daily, weekly and monthly newspapers?

Dr. Kirschbaum: How many in Ontario?

Mr. Mauko: Well, in Ontario, there is one daily. There are three or four monthlies. The rest of them are weekly or twice-weekly.

Senator Sparrow: *Corriere Canadese* is the only daily?

Dr. Kirschbaum: And in Manitoba?

Mr. Dojack: Well, in Quebec, there are eight weeklies. In B.C., there are eight weeklies. In Manitoba, there are fifteen weeklies, two semi-monthlies. There are about four monthlies and three or four quarterlies.

Senator Sparrow: Are there many ethnic press that don't belong to your Federation?

Dr. Kirschbaum: Now, there are, of course, all these magazines, almanacs and few other things who are not members.

Then, the press which is published by religious organizations and still has some coverage of news or educational materials also don't belong, but what we call "newspapers", now, the great majority are in the Federation or regional associations.

Mr. Dojack: We print, as national publishers, ten religious publications in other than English or French. None of them are members of the Federation, but I am sure some of them do use 'Canadian Scene' material.

Dr. Kirschbaum: The University of Calgary published a report called "Canadian Ethnic Studies" and they list for Ukrainians about three hundred and seventy publications,

including bulletins and so on, just for Ukrainians. We, of course, when we refer to it, we don't deal with all of this material. It goes into hundreds and hundreds.

We are just dealing with weeklies, not dailies and monthlies.

Mr. Dojack: This could be part of the reason for the difference in figure between 'Canadian Scene' and our member publications.

The Chairman: Senator Sparrow?

Senator Sparrow: You feel at the moment that you have complete freedom of the press as far as the ethnic press is concerned. In the event of a world conflict, what do you foresee—do you still foresee within your group of newspapers that same freedom existing?

Dr. Kirschbaum: Yes, I think so.

Senator Sparrow: There were problems the last war. You don't foresee that those problems would arise again as far as your...

Mr. Dojack: What problems were there the ethnic press?

Senator Sparrow: Well, I understood that in some areas, some of the newspapers ceased publication, as an example, in the last year.

Mr. Dojack: No, we published a German paper, for instance. It didn't cease publication. Mind, we did co-operate—we are a Canadian publication specifically, but we did publish many articles in the English language, and we realized we had a problem there, but there was no termination of publication.

Senator Sparrow: So, the only ones that would be affected, primarily, would perhaps be the "leftist" ones, as you refer to them now, that don't belong to your press club?

Dr. Kirschbaum: Yes, as there was during the Second World War at the beginning, the "leftist" publications ceased to be published in 1939 to 1941; and then it depends on which side Canada will be, but we hope on the right side, because there are no other publications in the ethnic press now except those few Communist papers.

The Chairman: Senator Smith?

Senator Smith: I just have two or three points I would like to make.

The Chairman: All right.

Senator Smith: One is perhaps in the way of a suggestion. Has there been any approach to the rather newly appointed Minister Without Portfolio who is responsible for citizenship matters in the Government in order to discuss some of the problems that you have not only with the press, but also with ethnic groups in general?

The Chairman: Dr. Kirschbaum?

Dr. Kirschbaum: Now, we presented our troubles to Mr. Pelletier last March, and we are in a very good relation with the officers of the Department of the Secretary of State. Mr. Allen in Toronto is especially active, but many of them are aware of the difficulties. We were promised help and in many ways they do help, but then there will be a new Minister, Mr. Stanbury.

Senator Smith: Well, that was my question. Have you discussed your problems with the Minister?

Dr. Kirschbaum: We have invited him to Toronto in April, and we want to discuss with him these problems in detail.

Senator Smith: I hope that you would show him the minutes of your last meeting in the Prime Minister's office to remind him.

Dr. Kirschbaum: Well, he's from Toronto, and we hope very much that he will be quite co-operative, but he knows our problems and will be helpful.

Senator Smith: I have just another point, Mr. Chairman. I wonder, first of all, whether or not one of the areas that you might discuss would be to make some concrete suggestions with regard to the functions of the Liaison Officers of the Department of Citizenship.

Are they performing all the functions that you think they can with regard to the ethnic community as well as the ethnic press, or should there be some enlargement of their functions?

The Chairman: Well, if I may, given the time at our disposal this morning, I think your answer, Doctor, should relate only to the liaison with the ethnic press.

Senator Smith: That's all. I would be satisfied.

The Chairman: I think your liaison with the community generally is probably good, so in terms of the ethnic press perhaps you might answer Senator Smith.

Dr. Kirschbaum: Now, so far, the Liaison Officers were co-operative with us, but couldn't help us solve certain problems. They tried to co-operate with us because they are in charge of the ethnic communities in general problems either from the Department of Citizenship or Manpower and Immigration Department. But we would appreciate if more attention is paid, and they are allowed to give more time and more help to the ethnic press and more co-operation, because we feel we perform a service in the same way as the Department of State or Manpower and Immigration.

Senator Smith: Mr. Chairman, I just have one final question which I would like to ask of Dr. Kirschbaum.

The Chairman: Yes.

Senator Smith: I understood you to say, and perhaps I read it in the background papers, that many of the United States ethnic papers found their way into Canada, and they have a number of Canadian subscribers. Is that kind of competition a serious one for you?

Dr. Kirschbaum: In some groups it is a competition, of course, because originally, in Canada some groups didn't have their papers and organizations, and then American organizations organized members here and sent to their members the newspapers from the United States.

Now, I think in the Polish group, they still issue as many American-published newspapers or copies as Canadian-published.

Now, I don't know what the situation amounted to, but I think that with Slavic groups, it was a situation because originally the American organizations started to organize the immigrants in the fraternal field, and every member of the fraternal organization received the newspaper, but also independent newspapers from the United States still are coming to Canada. They have readers.

Mr. Dojack: We publish a Ukrainian paper called the *Free World*. It's an American paper. We have American editors who send their news up to Canada. It's printed in Canada, published and owned by National Publishers, but it is distributed exclusively in the United States.

Senator Smith: When you say "We have"...

Mr. Dojack: That's our firm, National Publishers. Well, I have had one incident. We

published another paper called "*Der Sendbote*". It's a German Baptist publication. We have been printing it in Winnipeg for something like twenty-five years. On Monday morning when I was leaving for Montreal, Reverend Kerstan came up from Chicago to advise us that because of the increased postal rates and excessive costs they find it cheaper now to get the publication printed in the United States. So we are going to lose that publication because of the postal rates specifically and it's going back to the United States. We were able to print it here and distribute it in the United States at a rate competitive or less than they could do it for in the United States, but because of the increased postal rates specifically, we have lost that publication.

Senator Smith: What do you think about the editorial content of some of the newspapers that are published in the United States and find their way into Canadian subscribers' hands? Does that compare in general terms, do you think?

Mr. Dojack: It's like *Newsweek* or anything else, wouldn't you think? Acceptance is about the same, wouldn't you say, Dr. Kirschbaum?

Senator Smith: I was wondering whether there was any difference in what the readers might gather from American attitudes versus Canadian attitudes that might be expressed in the collection of the news and in the editorial pages.

Dr. Kirschbaum: Now, of course, Canadian ethnic Newspapers comment on Canadian matters, and American newspapers mostly on American policy. What is common or is comparable is what they say about the problems of the groups. Then there is not much difference, but in editorials, there is a difference, of course, not in the global understanding of our external policy, but they mostly deal with American problems.

The Chairman: I have two questions only. I think the second one I will put to the people from Canadian Scene also. I perhaps could ask a final question, which I think has to be asked in a discussion like this. I am going to be very unfair with you, Dr. Kirschbaum, and I ask you to answer rather briefly because of the time, and this relates to the basic function of the ethnic press.

Your brief says "it's a guide, an interpreter, a teacher and an intimate friend. Its role has been to introduce the new immigrant into

his new environment as efficiently and as painlessly for himself and the community as possible in order to enable him to become a full-fledged citizen of this country, willing and able to contribute his talents and his abilities for the benefit of all Canadians."

Now, I am sure you would agree with that. Obviously, it's in your brief. May I then read a quotation from an article which appeared in the June 20th issue of *Time Magazine*, and ask you to comment on it:...

"The more successfully the ethnic papers smooth the way for their readers to enter the Canadian mainstream, the more quickly they should put themselves out of business."

Dr. Kirschbaum: Now, it would be true if there were no influx of immigrants, and we referred here in general to the ethnic press when immigrants come and don't understand English or French. The ethnic press was the only communication medium which could inform them about Canada and help them to integrate.

The Chairman: Yes.

Dr. Kirschbaum: The situation is such that even if somebody is integrated, reads or speaks one of the official languages, he still refers to his paper sometimes in the second or third generation because still he finds some education, some readership in his paper. Secondly the ethnic groups don't want to abandon, at least some of them, the cultural heritage, and the ethnic paper remains even when an immigrant is fluent in some of our official language. Still it is only the ethnic paper who informs him of his background, culture, heritage, history and so on. I don't think they will cease to be published or they should be put out of commerce or out of the fire.

The Chairman: Well, I am not suggesting or implicit in my question is not that suggestion at all, but I think it's an interesting observation. It's one which I wondered about—Mr. Dojack.

Mr. Dojack: You know, it's rather interesting. It is a good comment. What are the publications doing to reach the younger market? Now, our Ukrainian weekly, for instance—wrestling figure curling is one of the national sports of Canada, and we have done much to encourage Ukrainian curling rinks. As a matter of fact, in Winnipeg itself, there are over sixteen Ukrainian curling rinks, and we put up the

Canadian Farmer Curling Trophy in order to not only see the Ukrainian people more interested in Canadian sports and the development of that sport, but also in their paper. Their paper is taking pride in their development, and we also have the Ukrainian Canadian Athlete of the Year Award, which we have presented to such people as Terry Sawchuk and our amateur golfer in Toronto, Mr. Westlock and others.

There is a lot of participation by the ethnic press in developing and showing an interest in our young people, and so we are not just counting on immigration from Europe as our circulation builder, but we are looking to our young people to keep in touch with the language and so on.

The Chairman: Thank you.

Mr. Mauko: I would like to add to that that I saw a report that by the year 1980 or something like that, Canada should have thirty-three or thirty-five millions. I think the difference between twenty-one and thirty-five millions, with new immigrants would support our publication. I hope so.

The Chairman: I hope so, too. I think at his point, gentlemen, I will perhaps...

Senator Macdonald: Could I ask one question?

The Chairman: Oh, I am sorry, Senator Macdonald.

Senator Macdonald: I was wondering how many of your papers now being published were published prior, say, to 1940.

Dr. Kirschbaum: Prior to 1940... there is a study on this subject by the former President of Acadia University. He was in the West. He is a Canadian scholar. About forty-five newspapers were published before the Second World War.

Mr. Dojack: Our German publication is eighty-four years in publication. Our Ukrainian is sixty-four. We started the 'Croatian Voice' thirty-five years ago... actually thirty-eight years ago. The Polish paper *Czas* which we started, was started over thirty-five years ago, about forty years ago.

I would think that almost ninety per cent of the ethnic papers in Western Canada were started well before 1940, and I would think almost thirty per cent of the Ontario papers were started before 1940.

Senator Macdonald: And then apart from the immigration, to keep your readership, you must have the younger people understand, and be able to read the language. Tell me this: do you think the news media in general give adequate coverage to the activities of the ethnic groups?

Dr. Kirschbaum: No, we cannot say they do. I just wish to mention one instance. We are very much surprised with the disinterest shown in the ethnic groups. The Federation invited Quebec editors in 1967, which was the year of unity and so on, and in Toronto, we gave receptions, actually for the Provincial Government and others to sit in our Federation. We didn't get any coverage in the Toronto media whom we invited, in the daily papers. We invited the CBC. We invited other media. They were not at all interested.

It is a funny thing, but generally there is not much interest except when a good reporter comes and writes something. But if we consider the population, twenty-six or twenty-eight per cent and the coverage in any of Canadian media, of course there is no adequate coverage of the life, problems or activities of the ethnic groups.

Mr. Dojack: Actually the English press gives poor coverage to ethnic matters and ethnic community matters. This is one of the strong points why the ethnic press is such a vital force to its readers; because they do concern themselves with church matters, community matters, soccer reports. As far as the Italian and German press is concerned, it's the right hand of our young people today, and they look to their ethnic press for scores and so on. I think that our young people turn to our sports pages before they turn to anything else, and they can't find the scores in the English press. I think this is very vital.

The Chairman: Senator Macdonald?

Senator Macdonald: There is just one other thing I would like comment on. On page eight in your brief, you mention:

"The ethnic editors complain of lack of proper lines of communication between the Federal Government and the ethnic groups who may not fully appreciate the efforts and accomplishments of the Government because of the language barrier".

Would you care to comment on that statement, just what it means, page eight at the bottom of the page?

Dr. Kirschbaum: Now, of course, we feel that the ethnic press for a long time was treated as a step-child; that there was not much understanding because probably it was also the fault of the readers of the ethnic groups that there was not much communication or understanding—it was just left alone.

Many times also it was because the people who published the paper didn't speak proper English, and they were not very eager to contact the Government on any level. On the other side, I think that you know better than I—I came in 1949—that there was a tendency in Canada somehow not to assimilate and not to pay much attention to these ethnic groups or to their life in their own communities.

Actually, the active life mostly started between the wars and after the Second World War because they were not strong groups, not well-organized. The papers were small. Then, there was not much communication, and when you mention "not appreciated very much", the service the ethnic press performed, until recently, five, ten, fifteen years ago, there was no agency of government like now, the Liaison Officers or Manpower Centres and so on to get in touch with the ethnic groups. It improved considerably, but in the past, really they were a sort of ghetto and a separate community living in Canada. But it improved and it is improving steadily.

Senator Macdonald: That's all.

The Chairman: Ladies and gentlemen, I am sorry. I hate to terminate the discussion, but we do have some other people we are going to hear from this morning.

I am going to suggest to representatives from the Federation—I am sure you will want to stay and hear this presentation, and it may be in the course of that presentation that remarks may be directed to you, although I appreciate that Canadian Scene is not the Ethnic Press Federation, but certainly there is a good, close working relationship. It may be that we will want to direct questions in that question period to some of you, but I think, in fairness, I should now turn to those people. If there is anything you want to say—Mr. Dojack.

Mr. Dojack: Our President, Dr. Kirschbaum, did touch on the subject of our Centennial Project. We took forty-eight ethnic editors from across Canada and spent ten days touring the Province of Quebec to get to

know and understand our French-Canadian leaders, press, educationalists and so on, better.

Then we invited better than seventy French-Canadian news editors radio and TV personalities from Quebec to tour Western Canada, including Toronto west of Quebec right through to Victoria to get to know the people of Western Canada, and, in particular, the ethnic groups better. These tours were very successful, but I must say that the Liaison Officers of the Citizenship Branch were outstanding in their co-operation and assistance with these projects. In this regard, if it was not for the assistance given by these Liaison Officers of that Department, I would say that these tours would never have been as successful as they were.

The Chairman: Thank you, Mr. Dojack. I am going to suggest that we adjourn for about ninety seconds to give the reporters a break.

Recess.

...Upon resuming...

The Chairman: If I may call the meeting to order, please? Thank you. If I may call this session to order, we are going to receive, in brief, as the Senators know, from Canadian Scene. I won't say anything more about Canadian Scene, but I will allow these people to speak for themselves.

On my immediate right is Mrs. Barbara Osler who is the co-founder and the President of Canadian Scene and on her immediate right at the end of this table is Mrs. Douglas Jennings who was the co-founder of Canadian Scene with Mrs. Osler. On my left is Miss Ruth Gordon who is the Editor of Canadian Scene. At the far end of the table is Mr. John Gellner who is a Vice-President of Canadian Scene.

Mrs. Osler has asked me to apologize. Listed as one of the people coming here this morning is Mr. Trevor Hamill who is a Director of Canadian Scene, but I think as the Senators are aware, there are slight problems in and out of various cities around and about and Mr. Hamill, I gather, is grounded in Montreal.

Mrs. Osler, the brief we requested has been received, and perhaps it is not necessary to repeat all of the things I said this morning. I know you were present when we received the brief from the Federation. I propose, therefore, that you now take a few minutes to

make an oral statement. Following that, we would like to question you on your written brief and on your oral presentation, your oral comments, and perhaps other matters as well.

Welcome, Mrs. Osler.

Mrs. B. B. Osler, President, Canadian Scene: We are very pleased indeed to be invited to appear before this Committee. I hope we will be able to explain the function of Canadian Scene and how it operates. Our brief dealt very briefly with the mechanics.

Oh, here is Mr. Hamill now.

The Chairman: Mr. Hamill, please come forward, sir. We are just starting.

Mrs. Osler: I am very glad that some of the ethnic editors have stayed to hear us. We also have several government officials who have worked very closely with us, Mr. Zybala who is one of our editors and who is now with the Department of the Secretary of State, and Mr. Glen Allen, a Senior Liaison Officer with the Citizenship Department.

These gentlemen have known about our work for a great many years, and I am sure if you wish to question them, they would be only too pleased to answer.

As you saw from the brief, Canadian Scene was originated because of the concern for the Communist approach to the newcomers to Canada, and we hoped to counteract this by giving the newcomer unbiased material about Canada, to enable him to sift the truth from the false—we hope the truth.

We found that the change in emphasis came very slowly over the years. While Communism now perhaps isn't considered as much of a danger—although I sometimes wonder if that's the right approach—still, the information that is needed by the newcomer in all phases of Canadian life is very much apparent.

We have been able to give them information that they cannot appear to get in any other way. It's like no other press service, I think, in existence. In fact, we believe we are the only press service of this type in North America.

There is a very large American one, subsidized by Government with hundreds of employees which puts out a great deal of information, but there is no such small, personal organization which has such personal contact with the editors.

We have no research staff. We discuss with the editors the type of information that they require, that they know their readers want to have, and we also maintain personal contact with the editors in their own homes. They come to our homes, and many valuable discussions take place at those meetings.

The information that they receive from government, and a good deal has been spoken of that this morning, has to be rewritten because the government pamphlets that come out—all the requirements of The Income Tax Act, the requirements of The Citizenship Act—are written for what we might say the "mass media", the people as a whole; but these people are a segment of our population who have difficulty in understanding some of our English terms, and I think some of us, ourselves, have difficulty understanding government terms. So we get these pamphlets or the information and our editor re-writes it, has it checked and re-checked—when I say "checked and re-checked", she is in very close contact with government departments.

In fact, one article that she wrote on the Canada Pension Plan was evidently considered so good—I think it was Canada Pension, wasn't it, Miss Gordon?—that the Department reprinted it in booklet form, and as one of our Directors, a former journalist said, it was the first time she had understood it. So you can see that there are areas where we can perform a valuable service.

We understand the ethnic problems, and we think they have confidence in us. We have been working very closely with them for the past nineteen to twenty years, and this personal contact from a small group is, in our opinion, infinitely more important than information which is sent out direct to them from a large information press service.

The material, as I said, is designed for a special segment of Canada's population. Over three and a quarter million immigrants, many of whom were familiar with neither French nor English, have settled in Canada since World War II.

Even though this tide has slackened, over a hundred and eighty thousand immigrants arrived during 1968; so there is still a problem.

Inevitably the first five years are the hardest, and they turn to their ethnic newspapers for the information in order to integrate or to adjust to a new language and culture.

We know that our material is reaching these people. We have a small office, as you

have seen in the brief. We have an editor and an office secretary. Our finances are looked after for us by a Treasurer loaned to us by a large company, and the books are kept there and the bills are paid from there.

Our secretary is a member of a legal firm so that he makes sure that everything is done in the proper manner.

We are approached for assistance and advice in every phase of Canadian life. We are asked where they should go for legal advice, how to plan their funds and housing, and by this I mean they come to our office and ask us. Even government representatives often come to us for information, and—the percentage was mentioned this morning—twenty-eight per cent of the Canadian population depends on the ethnic press partly or totally for information, which will help them to become more integrated.

The ethnic Press Club has been represented here today. We helped, I think, encourage the editors in Toronto to form the Toronto Ethnic Press Club in 1951. The one in Winnipeg had been established for a great many years. We now have Ethnic Press Clubs in British Columbia, and one, I believe, is in the process of being organized in Quebec. An acknowledgment of our close co-operation with the Ethnic Press was the plaque presented by the Toronto Club on the tenth anniversary of its founding.

I should like to pay tribute here to the English-language press. We will be reading in the papers that they have appeared before this Committee, and I don't think that they said very much of the assistance that they gave to the Ethnic Press. They have done it through us. True, they don't publish very much about ethnic community organizations or problems or things like that, but I do feel that these newspapers understand the ethnic problems, and through Canadian Scene, they have been of considerable help.

We could never have operated our press service without the assistance of the *Globe and Mail* who gave us mats and free tear sheets, everything, for the first eight or nine years of our existence. Since then, they have made an extremely low charge that doesn't begin to cover their costs, and we pay a very small amount for that.

The *Toronto Telegram* has given us free mats, absolutely without any charge whatsoever. We have had to drop one mat service because of the postage charges on the large envelopes, and so we continued with the *Globe and Mail* because they allow us to put

in with our tear sheets, mats from other newspapers, such as the *Winnipeg Tribune*, the *Calgary Herald*, the *Edmonton Journal*, the *Vancouver Sun*, and the *Fredericton Gleaner*.

These ethnic papers, as you will recognize if you have looked at *Canadian Advertising Rates and Data*, although they are published in Toronto or Montreal, they go right across the country. I have been surprised to find how many of them go down to the Maritimes, and how many from the centre of Canada go out to British Columbia, Manitoba and Saskatchewan, as well as the ones that are published in those western provinces.

The distribution amongst these ethnic peoples is very large, and I will stick to our figure of three million readers because we feel that there are very often in the house two families. One paper is subscribed, perhaps, to that house, and I think we are low in our estimate of the readership because there are very often more than four people in each household reading that paper.

I should also like to say that I am very sorry, and I apologize that due to our financial situation, we have come with money problems too, Mr. Senator. We were not able to provide for every member of the Committee copies of our exhibits. We couldn't include them independently.

The Chairman: You have them all right here, yes.

Mrs. Osler: You have received the Letter Patent and By-laws, and you have received the list of Directors, the Advisory Council, which goes from coast to coast, and the members of the Corporation.

This is a non-profit, non-share organization. We have also a copy of Canadian Scene as it goes to the translators. This is a large, eight-page mimeograph sheet. This is a translated copy in Italian, and this is the one in English. Our picture service is planned with very large cut lines underneath, more than an English press puts under their pictures, and very often there will be a story or an article illustrating that particular picture. Pictures are used extensively, particularly pictures about Canada. I am not talking about new pictures—prominent individuals, yes, but mostly pictures of various parts of Canada.

I think you also received a list of the number of articles that we have published since 1964. I will just show you by the number of pages how many were in 1964. Those are the articles under the heading.

you have seen these, please say so; so I am not taking up your time.

The Chairman: I think some have seen them and some haven't seen them. You might just go ahead.

Mrs. Osler: Well, the headings are "Government of Canada", and we ran six articles in the last year on "Bilingualism in Canada", which were prepared especially for us by the Citizenship Branch of the Secretary of the Department of State.

We have also done for the Department of Manpower and Immigration a longitudinal study of the settlement of immigrants in this country: "The Story of Canada's Government: 'In the Beginning,'" "Canada, the Nation"; "The Government Serves the People"; "Canada's Political Parties". Then there were articles such as "Ethnic Organizations in Canadian Society", and several more on the government of Canada.

We have an "Ottawa Report" written by a member of the Parliamentary press gallery. We have articles here on the "Provincial Government", "Municipal Government", and "Canada's Cities and Towns".

We have had "Buying and Owning Land in Canada", and the importance of having every contract checked by a legal adviser before it is signed, no matter what they buy, house or land or insurance or anything. Under "Education" we had an article called "Careers for the Future"—the number of scholarships that are available and the various schools across the country, and the services for newcomers, and the first degree course in hotel food administration which the CBC tells us they are going to use on their international service.

We have had articles on business and industry, articles on the arts, and articles on the history, and one in 1969, a series on the original Canadians which were our Canadian Indians, was picked up by practically every paper.

We also have articles on sports and on art, and that only covers the year, 1969.

Exhibit "E" is the type of picture that we sent out. These are all free, I may say, to the ethnic press, and the tear sheet that goes with it.

The drawings that you see have been provided by—not this particular one—but some of them from the C. W. Jefferys Collection of Canadiana. Others are done for us by artists,

who are interested in our work, at a very low cost.

The newspapers and radio stations served by Canadian Scene are listed by provinces, and, as I say, go right across the country.

Since 1968, on account of shortage of funds, we have not been able to provide a usage report, and so this usage report on the number of the articles was taken over an average of the years, '66, '67, and '68.

We feel that they have increased from a low of one per cent Canadian content to an average of sixty per cent Canadian content. Our special projects were the Hungarian Bulletins, eight issues, which as I said in our brief was the only translated material on Canada that went over to Europe for these Hungarians. It is practical information.

Then we have the radio and the booklets which even our Embassies abroad heard about through the CBC International Service and wrote, and requested copies.

We had a radio programme in Italian. At the end of 1964 was the last time we were able to do any particular project, but since then, we have a new Italian newspaper in Toronto, and I am sorry not to see Mr. Ianuzzi here because his paper...

The Chairman: They made a separate presentation.

Mrs. Osler: Because his paper is absolutely outstanding in the amount of material on Canada that he uses. These are the sort that we have provided clippings from the papers as to how the news is picked up. I think that I have probably taken more than that.

The Chairman: Well, you are a most persuasive and effective saleswoman, and we are enjoying your presentation. That was a very compelling presentation. Notwithstanding the fact that it was a compelling presentation, I am sure there will be questions.

Mrs. Osler: I hope there will be.

The Chairman: I think before I turn to Senator Sparrow, perhaps I could just ask you one question first myself.

You say at page three of your brief:—

"Although the general public knows little of our service"...

Is that by design on your part?

Mrs. Osler: Yes, I think so. No, it's not by design. It's because we haven't had the funds

to expend on advertising. The newspapers have been very good to us whenever we have had a special project. They have given us news. Speaking about the editors, we used to send them our annual report every year, and sometimes it would be picked up and sometimes it wouldn't.

Miss Gordon has been interviewed. I have been interviewed on the Betty Kennedy Show, and Betty Kennedy, who is one of our outstanding news commentators, said she had never heard of Canadian Scene before. I am afraid it wasn't any interview, it was a one-woman talk, which was most unfortunate, but, however, we got the message across, which was the main thing. But Betty Kennedy was extremely interested, and as a result of that talk—it showed us the value of radio in our work—we were very interested to receive a donation from a sixteen-year-old boy. I don't know whether it was because he heard the show because her programme's at three, but he had heard of us, and he wrote to us and said he was very concerned that there were a great many newcomers in his area and he felt not enough was being done for them. He was an English-speaking boy an Anglo-Saxon, I suppose, and he thought that we were doing amazing work and he would like to contribute five dollars. We felt very encouraged that a sixteen-year-old took that interest in his fellow-citizens.

The Chairman: Presumably you would be open to donations this morning? Senator Sparrow?

Senator Sparrow: Is two-fifty all right?

I don't want to let you think that the word "donation" is being used in this next question, but you refer to government assistance. I believe you refer to it in paragraph 31 and in the last sentence of the last page, number 33.

Mrs. Osler: Yes.

Senator Sparrow: "We need financial support from the Government". I would like you to explain the amounts you are referring to and how those grants or assistance might be forthcoming, referring back to number 31 again where you say, "Canadian Scene does not wish to become a governmental organization in form or in fact". Can you relate those two statements.

Mrs. Osler: Well, first of all, when we say we don't wish to become a government information service...

The Chairman: Where is that?

Senator Sparrow: Paragraph thirty-one.

The Chairman: Oh, yes, fine.

Mrs. Osler: We feel that we don't want to be a government propaganda mouthpiece. We feel that the small organization that can have personal contact with the editors is far more valuable than a large, government agency.

When I say we would like support from the government, for years, we have been sending out information on the various government departments, and industry has supported us up to the present time. Donations are falling off tremendously because, I suppose, of high taxation; also because they feel their money should go towards educational scholarships and hospitals, health and welfare projects, and they feel that this is perhaps not quite so necessary in their opinion as other types of organizations; they feel they should give their money to cancer research, that sort of thing, but our costs have risen considerably in the last few years; so we feel if we could get support from the government, we, in turn, will continue with the material that we send out about government facilities and what the Government of Canada has done for the people.

We did a series on social legislation—how Canada looks after its people, which was a series of five or six articles which were well taken up; all right, we feel that we are going to do this sort of thing. Why not have some return?

Now, in the last week or so, we have been approached by several government departments, and I think that there may be some consideration given to us for help, but when you ask for the amount, that's all in the matter of discussion.

We should continue with the services that we have cut back on. We have had to reduce some of our postage to third-class mailing. We have had to dispense with a full-time secretary. There are only two in our office, remember, and we also feel we could do a little bit more if we perhaps had a part-time researcher.

We have drawn up a budget—oh, and there are also our translators who, as I think we mentioned in the brief, are practically volunteer assistants of this programme. They definitely should be paid more than they are getting now because their expenses have risen too. True, they have their own jobs, but as you

know, most immigrants take two jobs anyway. Now, these people, if they do our translations, can't take a full-paying job as their second job; so that they are doing it because they feel that there is a value for their services, and the costs would go, I would say, up to something like—at the present time it's twenty-seven thousand—it would go up to almost fifty or fifty-five thousand.

Senator Sparrow: So, your budget is twenty-seven?

Mrs. Osler: Twenty-seven thousand.

Senator Sparrow: That's the total budget?

Mrs. Osler: That's our total budget. We have done all this on twenty-seven thousand, and we are getting in an average of twenty-one to twenty-two thousand a year.

Senator Sparrow: How much, specifically in dollars, are you asking for from the Government?

Mrs. Osler: I have asked fifty, but I won't get it, I know.

The Chairman: Who have you asked?

Mrs. Osler: Our Minister Without Portfolio.

The Chairman: Mr. Stanbury, and how did he react to your request? He said he would go away and think about it?

Mrs. Osler: Yes, he said I was joking.

The Chairman: I don't think you joke. I am sure he took you very seriously.

Mrs. Osler: Well, he, first of all, I think, thought I was joking because apparently their budget is less for extra-curricular things than what we were asking.

True, it's not a good thing to ask for the total amount from the Government because this should be a combination of Government and industry, but we see that if we get a grant from the Government, that industry possibly may fall off even more.

The Chairman: Could I ask you at that point—you mention on page six, "With financial assistance from five major Canadian corporations"—this was when you began in 1951?

Mrs. Osler: Yes.

The Chairman: Could you tell us who those five major Canadian corporations were?

Mrs. Osler: Yes, Abitibi, Massey-Ferguson, Imperial Oil, Eaton's and Simpson's.

The Chairman: And then could you also tell us, Mrs. Osler—you made a reference in your oral presentation about your Treasurer being loaned to you by a big company. Would it be fair, and if it isn't, say so—would it be fair to ask who that company was?

Mrs. Osler: I would prefer not to say.

The Chairman: Well, then, let me address myself to a concern that I have, and perhaps you can allay my concern—it seems to me that you said you are very anxious not to become a government propaganda mouthpiece, if I am correct. Aren't you possibly open to the charge of being a mouthpiece—that's a word I don't use, but you did use and I am sure you don't use it often either—of the business community? I note you mentioned that your support should come from government and industry. I am curious to know if you ever approached the national labour unions, for example, and what their reaction was.

Mrs. Osler: Yes, the Canadian Labour Congress has made a small donation each year, but we have never approached them for a large donation.

The Chairman: I might just put the question fully and then you can come out and answer it perhaps fully. I looked at the Directorate of the Advisory Council. We have done a study of the articles which have appeared in Canadian Scene. I have no criticism of them, but it seems to me there is almost a discernible absence of information about labour unions. There seems to be a preponderance of business activity evidenced in your articles and in your budget and in your thinking. Now, I am sure it's not by design. I am not suggesting anything conspiratorial at all. I am just wondering if you would comment on this.

Mrs. Osler: Well, when you say "business", we do point out where the economic possibilities for employment are, through writing articles. I think perhaps Miss Gordon could answer.

The Chairman: Well, Miss Gordon, fine.

Miss Ruth Gordon, Editor of 'Canadian Scene': You perhaps noticed—the Labour Congress did a very splendid series of articles. I am not just sure which year it is. Now, I could find it for you. We only have twenty-

six issues per year; so, of course, you may not find anything on labour for a few months because we have so many things we are trying to tell these people about.

You rather startled me when you said that, because I wasn't aware of any preponderance of material concerned with business, and just latterly I think it has had two stories, and I have a Canadian writer doing a series on companies and businesses, beginning with the Bell Telephone, going into communications and we are going to go into mining, because we have never done a series to let immigrants understand the different industries across Canada, or at least try to introduce where the opportunities might be—what it would be like to live in British Columbia—where he might settle in Newfoundland. This is the feeling behind that.

I just wondered if you had perhaps hit those two pages.

The Chairman: Perhaps I did. I have been through this several times.

Miss Gordon: I was startled when you said it because I didn't have any realization that perhaps there was so much emphasis on that.

The Chairman: Well, I am perhaps more aware of it because of the relativity of your financial structure. Again you said a moment or two ago that you think you should be supported by the government and industry, and, you know, I think I would be concerned to have an organization like yours supported totally by government and industry, being accused, and I am not making this accusation—by people of having a bias. Does this not trouble you?

Mrs. Osler: Well, it isn't only industry. We have had also from foundations; we have individuals, a small number, it is true, and the I.O.D.E. chapters across Canada contribute and they have from the very beginning, but that is true. You can't depend on just one organization helping you or one special part of Canadian economy.

The Chairman: One special cross-section of the community?

Mrs. Osler: Yes, also you may wonder why we haven't approached more people.

The Chairman: Well, that was my next question.

Mrs. Osler: Yes; we haven't had the funds to mount a large campaign like some organi-

zations are able to do. Our philosophy has been that every cent, that is given to us, is used to promote the service of Canadian Scene; therefore, there should be no expense in campaigning.

I would like to point out that for the last two years, our travelling allowance was a hundred and fifty dollars. What organization can do anything on that?

The Chairman: Well, now, I am going to ask you a question. You could, perhaps, answer it with a question; so let me declare myself on the question you might put to me. Personally—I am not speaking for my colleagues on this Committee—I am one of those who would be in favour of full disclosure of where political parties get their funds from. I think it would be in the public interest.

Well, the question I put to you: would it not be in the public interest of the readers of the ethnic papers who ultimately receive your information to know that it comes from the Canadian Scene; to know what Canadian Scene is; and to know who is footing the bill?

Mrs. Osler: You mean the readers of the ethnic papers?

The Chairman: Are they aware of Canadian Scene?

Mrs. Osler: They are.

The Chairman: They do?

Mrs. Osler: They are.

The Chairman: Dr. Kirschbaum, are you readers aware... yes Mr. Mauko.

Mr. Mauko: Most of the articles in our newspaper have a notation at the beginning or at the end as to Canadian Scene or at least initials, "C.S.".

The Chairman: Yes, but do your readers know what Canadian Scene is?

Miss Gordon: We have written several stories.

The Chairman: You have written actual stories on what Canadian Scene is?

Miss Gordon: Yes.

Mr. Mokrzycki: Now, we have very close co-operation for many years, actually from the beginning; the ethnic newspapers, editor and readers are acquainted with the work of the Canadian Scene.

The Chairman: Fine, I am just delighted.

Mr. Mokrzycki: And in each paper it is mentioned that articles comes from the 'Canadian Scene.

The Chairman: I think it's very important to have on the record this kind of discussion, because I think it's useful for us to know that your readers are aware of this. Mrs. Jennings?

Mrs. Jennings: Mr. Senator, the Canadian Citizenship Council several years ago said that Canadian Scene is one of the outstanding organizations and gave us their award—mounted beaver pelt—and that was widely published. So I think everybody that's interested in Canadian Scene, especially the foreign language press, certainly knows where and how we...

The Chairman: Yes, Mrs. Jennings, I want to make my point clear. I am less interested in the foreign language press than I am in the readers of the foreign language press. Yes, Mr. Gellner, I am sorry.

Mr. John Gellner, Vice-President, Canadian Scene: I would just like to say that if it seems that Canadian Scene is mainly supported by industry, it is simply because we started working immediately and thereafter always wanted to raise our funds in the simplest possible way and without any expense.

I would like to especially emphasize again that Mrs. Osler said that our raising of funds was cost absolutely nothing; so the raising of funds was in itself a charitable act by the person who raised this money.

I can't think of any other charitable organization in this country which is raising money totally free of cost; so we had to turn to public-spirited individuals who would do it on their own.

On the other hand, we couldn't very well ask this public-spirited individual to go and do some very big and costly campaign; so in practical terms, the money was raised by somebody having a lot of friends and writing to these friends, "Please contribute to Canadian Scene". This was the cheapest and fastest way of doing this; the only way we could get such a charitable gift actually from somebody. It's obvious that such a person who can raise, I don't know, twenty-three thousand dollars just by writing to friends, will necessarily be a banker or a president of a corporation, or a big insurance company and so on; so we were directed in this direction of big

business through the necessity of raising money quickly and without cost.

If we could mount a campaign like other charitable institutions and pay anything between eight and fifteen per cent of the money raised, we would obviously then go to the public.

The Chairman: My concern about big government and big business parallels a concern I have about big labour, but in all instances I think it should be broadly represented and that's why I raised the point, and I think we discussed it.

Mrs. Osler: May I just say that never in the twenty years that we have been operating has any company criticized or asked us to do a certain thing.

The Chairman: I think that's good to have on record. Mr. Fortier?

Mr. Yves Fortier: It seems to me, Mr. Chairman, that one obvious source of funds for the maintenance of the services which Canadian Scene is providing would be subscriptions from those immigrants now having become full-fledged Canadians, who have made good in Canada. There are many of them.

Have you ever considered tapping that market, so to speak?

Mrs. Osler: Yes, we have, and we have received contributions from them.

Mr. Fortier: It seems to me that a group of them may even feel compelled to underwrite the costs entirely.

Mrs. Osler: No, I wouldn't think so because I feel that they are using their money, the very successful ones, to further education, scholarships, and that sort of thing in Canada as a whole, and also I think I may be right in saying that they feel that anything else they wish to give to the ethnic communities goes to the ethnic organizations.

Would I be correct, Dr. Kirschbaum, in saying that?

Mr. Fortier: But I would be correct also in assuming that they would have a definite interest in seeing to the maintenance of the Canadian Scene.

Mrs. Osler: Well, the ones we have approached have been.

The Chairman: Could I perhaps put this to you in your capacity as the editor, not about

the content of the Canadian Scene, but I had wanted to ask Dr. Kirschbaum more this morning, and we ran out of time, as you know, about the adequacy of the mass media generally for the ethnic community. Would you comment on that?

Miss Gordon: Well, I feel that the radio and television are aware. No, I don't think they do, but I think at this moment, perhaps even in the last six months, I sense they are becoming suddenly more aware.

The Chairman: Why do you have that sense? Could you articulate?

Miss Gordon: I notice I was called by the Ontario Department the other day. They were putting on a new TV education series.

The Chairman: I am sorry. They want you to speak more loudly.

Miss Gordon: ...directed to ethnic groups, and they wanted me to help them on the material, which I couldn't do because I was coming down here. I have several people doing an Italian radio programme now in Toronto, who have come in, and one of them, one radio station, said he simply read Canadian Scene from top to bottom. He was in such a rush to get the material the first day. I just have never had so many requests coming in to me.

The Chairman: Well, let me put another question to you. The most popular television program in Canada, I suppose—we have this information and I have researched the matters in question, but let's say that the two most popular programmes in Canada are the "Beverly Hillbillies" and the National Hockey League broadcast. Don't the members of the ethnic community watch the "Beverly Hillbillies" and watch the hockey games?

Miss Gordon: Well, I would have to turn to the gentlemen down there to answer that.

The Chairman: Well, I will put it then to Dr. Kirschbaum.

Dr. Kirschbaum: Sir, I didn't get the question.

The Chairman: Do the Canadians of ethnic origin watch hockey games on television?

Dr. Kirschbaum: Oh, the younger generation, yes, certainly.

The Chairman: The younger generation?

Dr. Kirschbaum: Yes.

The Chairman: A majority of the younger generation?

Dr. Kirschbaum: The older ones, I think rarely, because it was not so much a European sport when they start to arrive to Canada; soccer probably more than hockey but the younger generation definitely.

Most of the stars are of ethnic origin, either here or in the United States, but the younger generation watch it.

The Chairman: How about other television programmes, programmes like the "Beverly Hillbillies" and Ed Sullivan and so on?

Dr. Kirschbaum: No. There are no studies to this effect, but television is in every ethnic home, I think, except in farms and maybe in farms too and they watch a lot. I don't think there would be any difference between other Canadians and the ethnics.

The Chairman: Well, if I could turn to you Mrs. Osler, for a moment. You were present for the discussion this morning and the discussion this morning was one which I have had many times with Mr. Mokrzycki and other representatives of the ethnic press in other capacities, and this is their grievance about not receiving enough national advertising, government advertising and particularly national advertising as well. Has Canadian Scene ever considered offering its assistance in the development of some kind of campaign to attract advertising to the ethnic press?

Mrs. Osler: We never have. I think we might answer that.

Mr. Gellner: There isn't to my knowledge.

The Chairman: Well, I shouldn't make comment. I should be asking questions; so will perhaps put this in the form of a question. The ethnic press receives, I think, an enormously sympathetic ear from Committee like this and from other government agencies and even from the Prime Minister, as was made clear at the presentation earlier this morning, but somehow, there seems to be a great slip betwixt the sympathy and the actual, hard cash advertising dollars, and I think one of the reasons is, as was implicit in the question I put to Mr. Mokrzycki, they see this themselves, they admit this, that the difficulty and I can see it must be an enormous difficulty, is putting hard, cold statistics in front of the people who make the advertising decisions...

Mr. Hamill: I think you are right. It's a matter of the proper information being available to the space buyer.

The Chairman: Couldn't someone help the ethnic press in this area?

Mr. Hamill: It's conceivable. It's something we would like to do at this point.

The Chairman: I appreciate that's not in the nature of your study.

Mr. Hamill: That's not the name of the game, no.

The Chairman: Do Senators have questions? Yes, Senator Sparrow?

Senator Sparrow: Your service to the ethnic press is free.

Mrs. Osler: Yes.

Senator Sparrow: Entirely—is that correct? There is no billing at all? The contributions come back to the ethnic press itself through the Federation or to the individual newspapers?

Mrs. Osler: Several times during the years, the ethnic press have sent in contributions to us when they have known we have been in difficulty, not the individual paper, but—yes, occasionally we have sent out a letter to our editors saying that we are having a bad time. But you can't expect a small newspaper which is being run the way you heard this morning, to send a contribution, and so out of a hundred and three newspapers, we have had perhaps fifteen contributions from the press. We don't expect it from them, but we just let them know.

Senator Sparrow: In your comments, and I may have missed this, you referred to Canadian content having increased from one per cent to sixty per cent in the ethnic press, generally speaking, I assume.

Mr. Gellner: No, no, no, in certain papers. As low as one per cent would only have been in certain papers, in the long-established ones, obviously not. You heard this morning from Mr. Dojack that ethnic papers here exist—eighty-four years. Now these papers would then have been largely Canadian oriented but in some papers it was almost nil, and his reference of one per cent refers to certain papers where Canadian content was practically nil.

remember specifically one where it was totally directed not only to events at home,

but events at home, which were history, perhaps twenty or thirty years ago. It was not only so far away from Canada, it was even so far away from actual events in the home country; so I would say this one per cent is a low point, and sixty per cent would now be the average.

Senator Sparrow: The average would be sixty per cent.

The Chairman: Senator Quart?

Senator Quart: Well, to begin with, I would like to congratulate these two ladies who were co-founders, and I can quite understand it must have been your personality over the years that kept this alive.

I also feel very sympathetic towards you coming before a group such as this, and I, having been a volunteer and an I.O.D.E. member of the old Baden Powell chapter feel that too many women's groups don't put a price tag on themselves and I think governments and maybe men in general are a little suspicious. They don't evaluate your services sufficiently, but I must say that I think women's groups do a tremendous amount for both government and in general.

I was wondering if you have had any free service while the Alert Service in Toronto existed?

Mrs. Osler: Yes, Marjorie Lamb's service.

Senator Quart: Yes, because I do know how she operated on a shoestring.

Mrs. Osler: We didn't have financial assistance from her.

Senator Quart: No, no, she was having hard times herself, but now I understand from the last letter I have had from her—she operated all during the war—that she is getting out of business as it were. Well, wouldn't you probably come in for her heritage? I don't know. I am just asking.

Mrs. Osler: No, we would not have the trained people that she would be able to secure.

Senator Quart: Volunteers as well.

Mrs. Osler: Yes.

The Chairman: Would Senator Quart or the witness care to explain what the Alert Service was?

Senator Quart: Oh, well, this Alert Service was supplied free of charge to anybody

throughout Canada who wanted to have information. It was used extensively by the Department of National Defence during the war years, and she did get some sort of money, I don't know the amount—I know very, very well how they are set up, but I wasn't prepared for this question. However, I do know that the organizations across Canada, including the I.O.D.E. and others supported her, and as well she did have grants from the Government, I believe, during the war.

Her work was chiefly anti-Communist, and she had a wealth of information there, and she had to move offices a couple of times because her office was broken into and all sorts of things. And she was a volunteer, from Quebec, incidentally, of which I am very proud, being a Quebecker. I was going to ask one other question. Have you had any contact whatever with the Aide aux Immigrés in Quebec?

It's a volunteer group and they supply literature to the immigrants as they pass through the Port of Quebec and really work very closely with the Department of Immigration through Madame Louise Savard. I suppose you know of her because she brings these people across Canada—well, I mean the new Canadians, across Canada, and then the Y.W.C.A.—have you had anything from the Y.W.?

Miss Gordon: We are in touch with the Y.W. on English classes, but I must point out here that I am the Editor and I have a secretary, and I go to Montreal, and I go once a year to talk with my editors, but only time and lack of resources would stop me from being in closer touch with all these places because I am sure they do a splendid job. It would be helpful to me, but I just don't have the time or the staff to do that sort of thing.

Senator Quart: I hope the gentlemen appreciated your travelling expenses amounted to a hundred and fifty dollars.

I have just one other suggestion, if I may. You mentioned, Senator Davey, I believe, the advertisements to the ethnic groups.

The Chairman: Yes.

Senator Quart: How about your Committee taking over that and charging it for professional fees for getting the advertisements?

The Chairman: I think you mean our Committee, Senator Quart.

Senator Quart: No, no, no—well, maybe, but that would be an idea. I really didn't think of this group.

Mrs. Osler: I think we might put Mr. Mokrzycki out of business. That wouldn't be a good idea.

The Chairman: Senator Hays?

Senator Hays: Mrs. Osler, do you have counterpart in the United States?

Mrs. Osler: I think Mrs. Jennings could answer that. We went down to New York when we got a letter at the time from Radio Free Europe, which was a part of this enormous organization. Do you remember the name of it?

Mrs. Jennings: No, I don't remember the name of it. It was a service which isn't quite the same as ours. It was a service to the ethnic press, who paid for it. It wasn't the same as ours at all, so we didn't find anything comparable.

Senator Hays: Is there anything like this anywhere in the world or is this unique in Canada.

Mrs. Jennings: Not to my knowledge, no—it's a completely voluntary organization.

Mrs. Osler: And providing the type of material.

Mrs. Jennings: I think this is what we keep forgetting. It's just really to give material to the people and the press who wish it. The large press perhaps don't wish it, but we are providing material free of cost, and we couldn't possibly, I don't think, go into advertising. This isn't why we set ourselves up. It was a voluntary organization to provide something that is not governmental, but is given by the people for the people.

Senator Hays: You suggested that you had asked for fifty thousand dollars. You didn't expect to get that. How much do you think you would take to function the way you would like to function?

Mrs. Osler: Well, I think I should let Mr. Hamill answer that.

The Chairman: Mr. Hamill?

Mr. Hamill: Well, Mr. Chairman, this is difficult to answer because of the "iffy" nature of the question, but I would think that our top figure is about forty thousand in excess of what we now have by way of income, and the major expenditure, Mr. Chairman, would be a tremendous increase in what we would pay

our translators. We are now paying the translators fees in our current budget of about ten thousand, five hundred, and we would go to about forty thousand, and this because of the fact that we feel that the translators have been, as Mrs. Osler so well put it, virtually unpaid volunteers. They get a very small amount for the translation work they are doing. We are not really competitive with the rates paid by other publications in Canada who have translation work done by these people. That is the biggest increase and if we were to shade that down, which we probably could—Mrs. Osler could perhaps comment on that—any other increases in our estimates—none are very great, but we do have a figure for research assistants.

Our editor has had to be researcher, editor and general factotum. We feel we could do a more efficient job if we had even on a part-time basis someone as a researcher. We have an item of two thousand and eighty dollars for that, and we would like to have again usage reports.

I think Mrs. Osler mentioned that we did for many years have a usage report which was compiled through the assistance of our translators, and we had to drop that due to the lack of funds, but by the same token that radio and TV people in other media endeavour to find out what the readership is of their work, we like to know too what the readership is, and the usage, and we have put an item in for that of twenty-five hundred; so, to answer your question, sir, I would think that we could probably do a much better job and a much more effective job—maybe I shouldn't put these words in your mouth, Mrs. Osler, but perhaps half of our original estimate this year; say, for twenty-five thousand in addition to what we now have, I think we could do a much more effective job; be more fair to our translators and do a little research and even, perhaps, have a look at the usage; so that we would, I think, do a better job all around.

The Chairman: Mrs. Osler, I wonder if I might ask you this question, please. Would you compare the job that the ethnic press was doing in 1951 in promoting this integration of the newcomers into the Canadian mainstream with the job you feel it is doing now, and comment on the adequacy of the job it's doing now—in your opinion, that is.

Mrs. Osler: Well, this is purely my opinion.

The Chairman: Well, of course.

Mrs. Osler: I think that the Western papers were probably doing an amazing job. Don't forget in 1951 when we first started looking into this question, we had no idea there were so many ethnic newspapers in Canada; so that when we discovered there were a hundred and twenty-four, it was a great surprise to us, but most of them at that time, and I think I am correct, were in the West.

There were some Polish ones and Ukrainian, but Polish ones in the East—by the "East", I mean the centre of Canada and Ontario—and even they did not have the Canadian content, or the type of material that they are now using extensively.

At that time, they did not have it, and I think they were integrating their newcomers by telling them as much as they were able to find out at that particular time, but they couldn't find out the things that they are now getting. So that I would say that the job they are doing now to integrate their fellow-citizens of their own tongue is—well, as we have said, an average of sixty per cent Canadian content in the larger papers, and there has been as much as ninety per cent in some of the papers; so I would say that they are doing a hundred per cent better really. Figures don't mean anything to me, but a hundred per cent more than they were then.

The Chairman: If I may say to the witnesses and to the Senators, just so we will all know where we are at, it's about ten minutes to one. I know Mr. Fortier has a question and I have one more question. Perhaps Senator Sparrow has questions; so I hope we won't run too late beyond one o'clock because, of course, we are back at two-thirty.

I am just going to digress before I turn to Senator Sparrow or turning to Mr. Fortier to direct the attention of Senators and others to the presence in the room of two Members of the House of Commons who, I think, have a special interest in the problems of the ethnic community generally, Mr. Stanley Haidasz who is Member of Parliament for Parkdale and at the back of the room is Mr. Charles Caccia, who is the Member of Parliament for Davenport.

I think that Mr. Caccia has an observation he might like to offer at this point.

Mr. Charles Caccia, M.P., Davenport: Mr. Chairman, senators and Ladies and Gentle-

men:—if I might say this on the subject of Canadian Scene: if 'Canadian Scene' were not to exist, it seems to me that it would have to be formed and very quickly in order to provide the type of service that it is providing at present, and it has provided in the past.

It was formed because it provides a kind of adhesion which keeps not only the ethnic press together in exchanging cultural news and as to what Canada is all about, but also in providing a flow of communication from, let's say, the "Canadian Establishment" into the newly established groups throughout the country, and this is what it is doing in its printed form.

Through their radio media, which is equally important amongst many families where perhaps no newspapers are read, a similar function has been performed on an experimental basis by Canadian Scene and it was a very useful one, which, if funds were to be available, would be continual.

On the subject of television, and particularly the teaching of the two official languages, here again Canadian Scene displayed an imaginative approach, and did an experiment some years ago in co-operation with Metro. and the CBC.

Of the three media, Mr. Chairman, it seems as if the television is the most popular of the three and the one that reaches the largest audience, and it is very sad if once the experiment was carried out and proved its success, that it wasn't picked up by other agencies or at the national level for its implementation on a fuller scale.

It is a tremendous need, I would be inclined to think, for the teaching of the two national languages and through such a popular media such as television; so, as I mentioned, Mr. Chairman, the existence of Canadian Scene is not only a desirable one, but it seems to me, a highly necessary one.

The Chairman: Thank you. Dr. Haidasz, do you have anything to add to that?

Dr. Stanley Haidasz, M.P., Parkdale: Mr. Chairman, I would just like to add that thanks to Canadian Scene and the sacrifice that editors of ethnic newspapers have made in the past they have saved the Canadian government and the provincial government huge sums of money because they have been providing information and news which are necessary and which, I think, the government has the duty to provide and disseminate. In

the past, they have played a very important role in this public information field, and I would like to see that everything, that can be done, will be done to provide them with the tools to carry on their very good work.

The Chairman: Thank you very much. Senator Sparrow?

Senator Sparrow: I suppose there's a question to do with the effectiveness of the ethnic press. There have been representations made by ethnic groups, and particularly, I believe, Italian-Canadians from Ontario, to have the franchise extended to Canadian new immigrants after a year of residence in Canada.

Would you like to comment on that proposal or suggestion, as well as, perhaps, the previous group that appeared before us, Mr. Chairman. Think on that; if, in fact, the new Canadian doesn't speak English, is he, in fact, in a position to vote intelligently in Canada after a year?

Mrs. Osler: May I ask one of our new Canadians?

The Chairman: Dr. Kirschbaum? Would you care to comment on that question?

Dr. Kirschbaum: I would just like to repeat that the ethnic press is very grateful to Canadian Scene and I hope that all the difficulties they have now they will solve with the help of all good Canadians because the ethnic press couldn't perform the service without the help, especially towards the unity of Canada, the unity of this country and the background of this country.

The Chairman: But, did you not hear Senator Sparrow's question, Doctor? Senator Sparrow, you might put your question to Dr. Kirschbaum. No, it's quite all right.

Senator Sparrow: I think he wanted to make a statement as far as Canadian Scene was concerned.

The Chairman: Oh, forgive me. I thought you were going to finish off with his question. Carry on, Doctor. I am sorry.

Mrs. Osler: May I ask Mr. Gellner to do that?

The Chairman: By all means—thank you, Doctor. Now, Mr. Gellner, have you a comment on that?

Mr. Gellner: It seems to me that this is purely political question. It's the same question as one which is now asked that the eight

teen-year-olds should vote or not, and I don't think that Canadian Scene would be in a position to answer it.

By and large, I would answer in this way:—that in the first year, the great majority of the immigrants, of course, are only informed about the questions which the immigrant would answer as a vote from the ethnic press. He has no other way.

The life of the ethnic communities is largely overlooked in the English and French language mass media; so even if he could read English and French, he wouldn't learn very much about his own group, but by and large, the great majority would know about the political questions presented to the voters only from the ethnic press.

I would say from what I know of the ethnic press, and I read regularly my own Czech and the German and the Italian—I would say that the immigrant is adequately informed about the problems of this country, and therefore would not be in a worse position as far as knowledge is concerned than very many voters who are of the English or of the French language. He would be largely in the same position.

Now, whether he has this sense of responsibility of citizenship after a mere one year, I couldn't answer. Some will and some won't.

If I may make a further point in this connection. Just this morning, it was suggested it would be a sign of successful integration if the ethnic press went out of business, and I would like to say that just because the life of the twenty-six or twenty-eight per cent is not covered very adequately in the English language and French language mass media, there is a continued need, of course, for the ethnic press.

If I may give myself as an example. I am a writer in the English language, and since I am not, I should be able to read English papers well, but I still read the ethnic paper.

This is also connected with the strengths which we in this third group have derived from the cultural heritage which we have brought along, and which, I think, is the principal contribution which we have made to this country.

Now, a cultural heritage is not a quantity which you bring into the country and dump down and forget. It's a continuum. You get spiritual sustenance from it forever, and in the second and the third generation as well;

so, let's say, for us in this third group, even if we are completely living in the English or French environment, this connection with the ethnic group is almost a spiritual necessity, and the ethnic press provides the food to satisfy this hunger which remains in us and which I hope remains forever.

Senator Sparrow: Can I ask Dr. Kirschbaum...

The Chairman: Yes, you may if I may just first of all put on the record the fact that the reference to successful integration meaning the disappearance of the ethnic press came from me, but I think it should be clear on the record that I was quoting *Time Magazine*. Senator Sparrow?

Senator Sparrow: Would Dr. Kirschbaum like to comment on the type of job that the ethnic press can do within a year for immigrants?

The Chairman: I think the question which Senator Sparrow has asked is:— how effective is the ethnic press in assisting an immigrant in his first year?

Dr. Kirschbaum: Now, it is quite simple. They mostly come without knowing any English or any French except for the brochures which are distributed by the Department of State, it is only the ethnic paper or ethnic press which can give them the information on Canada, on Canadian laws, which they can read, even to be to a degree happy.

Then, of course, the ethnic press on the other hand informs them where to find organizations or their own group, who assist either socially or where to find a parish. They want to go because in all of this social field, it is only the ethnic newspapers which can give enough information, let us say, to even the Italian or now recently Portuguese or any immigrant who came to Canada because he was unable to read the other press or understand information unless it was in his language, which was published before by the Canadian Government.

It is much better now from the Manpower and Immigration Department, Department of State, that there are from time to time brochures which are distributed and the immigrant can learn something, but not many read it or many put it just into a pocket and say, "We will read it later", but the ethnic papers in Toronto and in Winnipeg or Montreal are available, and it is a sort of friend and it's a

link with the older settlers here, and through them to the Canadian life.

The Chairman: Thank you. Mrs. Jennings?

Mrs. Jennings: Well, Mr. Chairman, I just want to remind you that Canadian Scene is non-political and I think it is a point that we must remember, and non-sectarian and it just isn't biased in any way, and I think that this is one reason the ethnic press perhaps appreciate it. We don't take sides in any points.

The Chairman: Mr. Fortier, I think I can give you the last question.

Mr. Fortier: Thank you, Mr. Chairman.

The Chairman: I think the last question but one—I have one myself.

Mr. Fortier: I think we can take judicial notice of an often-repeated criticism emanating from members of the Quebec Government, to the effect that immigrants settling in the Province of Quebec, and in Montreal in particular, are marrying themselves into the English community rather than the French community.

Now, given this *entrée en matière*—or this introduction, I note from your brief, Mrs. Osler, that all of your articles are prepared in English, and that they are then distributed to a number of newspapers, eight of which at least, as I read the record, would be weeklies published in Quebec.

Now, my question is twofold. One:—do you have any French-Canadian writing with his or her training, experience, background as a French-Canadian on your editorial staff, and if not, have you ever attempted to hire one?

Mrs. Osler: First of all, we have no real editorial staff. Our editor is the one who does most of it. We have invited French journalists to write for us. True, they are written in English; Mr. Daigneault who is—I can't remember what paper...

Mr. Fortier: That still doesn't answer my question satisfactorily.

Mrs. Osler: And Claude Ryan, and they have both sent us material and been very pleased with the way we have handled it and sent it back to them for corrections. We have never considered French a foreign language in this country.

Mr. Fortier: I notice it's not one of the languages in which your English manuscripts are translated?

Mrs. Osler: Also, the immigrant is allowed to choose to speak either French or English, but our material is not designed for the French newspaper. It's designed for their own newspapers, to get the material about Canada into their own language or their understanding; that they are able to either read the French or English. In mentioning this, it brings up quite an interesting point because La Banque Canadienne Nationale—my accent is not good—wrote to us and said, "What are you doing on the Province of Quebec?", and we were able to send them a list of articles that we have done on French-Canada, all phases of French-Canada, historical, religious, industry and everything else, and they were so impressed that they increased their contribution.

Mr. Fortier: Very important over here would be the fact that much of this information would be directed to immigrants living in Quebec, and consequently I certainly believe that it would be most important that for those immigrants living in Quebec, to have those articles appearing in their ethnic newspapers, written by French-Canadians.

Mrs. Osler: Yes, I see what you mean.

Mr. Fortier: That's the point that I wanted to make.

Mr. Dojack: There are some individual publications that have direct contact with French journalists who write for the ethnic press in Canada.

The Chairman: My question was so similar to Mr. Fortier's that I am going to allow him to have the final question. Mrs. Osler, if I may say to you how grateful we are. As I said at the outset, it has been a most compelling presentation. If you felt in any of our questions an implied criticism or that these have been carping, I can assure you that has not been the case, but I think it's rather useful to a study like this to have your views on the record.

I might also say that this is the first presentation we have received from anybody anywhere in which we have had testimonial from Members of the House of Commons.

If I may through you express our appreciation to Mr. Gellner, Mr. Hamill and, of course, Mrs. Jennings and to Miss Gordon and if I may repeat, Dr. Kirschbaum, the expression of appreciation at the conclusion of the presentation you made earlier. If

could leave just one thought with you and with the group who are here representing the ethnic press, I hope that you will not feel that in directing only these few hours to your problems, that we are not mindful or interested. We have done an extensive amount of research, as you know, into the ethnic press. We realize the formidable role that you play in the over-all media structure in Canada, and it is in that particular context that we have asked you here.

You should realize that we are not conducting a study of the ethnic press, but rather a study of the over-all media structure in which you play a vital role.

I thank you again. I thank all of you, and I say to the Senators present that we are reconvening this afternoon upstairs in Room 356-S.

This afternoon we have two briefs. We have a brief at two-thirty from the Canadian Business Press. We have one at four-o'clock from the Business Press Editors' Association, and at eight o'clock tonight we have as our witness the Honourable Eric Kierans.

Mr. Fortier: It seems to me, Mr. Chairman, that if you wish to attract Members of the House of Commons more often to your hearings, we should have lady witnesses more often.

The Chairman: As a matter of personal privilege, I have no desire to attract Members of the House of Commons.

The Committee adjourned at 1.10 p.m.

—Upon resuming at 2.30 p.m.

The Chairman: Honourable Senators, if I may call the session to order. This afternoon we are going to begin our study of the magazine industry, but more particularly before we turn to consumer magazines, we are going to examine the role and function of the business press.

I think the first thing I should do is apologize to our guests for the slight delay from 2.30 beginning time. The morning session in the past one o'clock so this is perhaps one of the reasons. We are sorry.

On my immediate right is the President of the Canadian Business Press, Mr. Gabriel Marchand. Mr. Marchand is also the Montreal manager of Maclean-Hunter Business Publications. On his immediate right is Mr. George Mansfield. Mr. Mansfield is the General Manager of the Business Press Association. On my immediate left is Mr. Aubrey Joel who is a Vice-President of the Business Press

Association and also the President of the Southam Business Publications Ltd., which along with Maclean-Hunter's Business Publications Ltd. will be appearing quite separately tomorrow.

On the extreme left is Mr. Jack Deragon who is sitting in really as a substitute for Mr. Harry Weston who is a Vice President. Mr. Deragon is now Vice President Marketing, National Business Publications.

I understand that introductory statements are going to be made by Mr. Marchand and by Mr. Joel, and I would say to the two of you that we allow about 15 minutes for opening statements.

I would say, Mr. Marchand, that the brief you prepared has been received as requested some three weeks in advance and presumably has been studied by the Senators. You are, of course, free to expand upon it, or explain, or indeed say anything else you may wish. Following your statement the Senators may wish to question you on the contents of the brief or the statements that you make, or perhaps on other things as well.

[Translation]

Mr. Gabriel Marchand, President, Canadian Business Press: Mr. Chairman, Honourable Senators, the main purpose of this brief is to inform the Committee of the contribution of the business press in the matters essential to the cultural and economic development of Canada.

[Text]

There are 510 business publications in Canada including annuals. They cover all classifications of business and industry; they include an increasing number of specialized publications serving specific segments of industry. These 510 periodicals have a total circulation per issue of 4,400,000 with a readership representative of the total Canadian business and professional population. Advertisers invest more than \$40 million in the Canadian business press; this is apart from production costs and advertising department expenditures.

[Translation]

The principal publishing centres for Canadian business publications are Toronto and Montreal; there are however substantial companies in Vancouver and Winnipeg.

[Text]

Senator Smith: Mr. Chairman, I am sorry to interrupt but the translation is not coming through.

The Chairman: Is the translator available? Please carry on Mr. Marchand.

Mr. Marchand: Mr. Chairman, I can turn to English.

The Chairman: No, no, just carry on in French.

[Translation]

Mr. Marchand: These publications are, for the most part, of national scope in their circulation and distribution. There is a large number whose scope is national and which are solidly established in their area. In Quebec, most of these publications are French language publications.

[Text]

Canadian Business Press, the industry association has stringent membership requirements. The 132 publications members of CBP of which there are 18 in the French language are of *bona fide Canadian ownership*; they are published by 25 different publishing companies across Canada from Vancouver to the Maritimes; they are required to have a circulation audit; they are required to subscribe to the standards of practice and code of ethics of CBP, which is an association set up to promote sound publishing practices.

I would like here just to make a few points. The primary role of the business publication over the years has not been changed greatly. It might be described as:

1. To provide businessmen and women with the specialized kind of business information which is not available in the popular press and which will have an important effect on their own business decisions—to assist the reader in the better performance of his or her job;
2. To collect and disseminate for Canadian business and professions the experience of those engaged in a specific industry, profession or trade;
3. To interpret the events, trends and developments as they affect the Canadian business community;
4. To lead the Canadian business or industry served in formulating sound policies and ideas.

Actually, Canada's business publications play a vital role in Canadian business—and this is a very important point—professional and industrial life; they are the principal media of adult education and training and the

principal source of practical information in many fields.

The rapid industrialization and development of a complex business community in Canada has made the business executive more conscious than ever of the need for accurate information and sound interpretation. Business publications in this country have established themselves as recognized sources of reliable information and ideas—latest inventions, newest developments and technological advances, new production methods, engineering and operating practices, progressive merchandising and retailing techniques, up-to-date economic thinking and policies. They gather information and attitudes from all corners of the country and as a result many individual decisions—to buy, to invest, to build or to renovate—are influenced by the ideas and information gained in reading the business press.

It is the function of a good business publication to lead and guide industry thinking. Their importance to Canadian business and industry, indeed to Canada's general economy, cannot be overstressed.

The Chairman: Thank you very much, Mr. Marchand. Mr. Joel?

Mr. Aubrey Joel (Vice President, Business Press Association and President, Southam Business Publications): Thank you, Mr. Chairman.

Honourable Senators, I have very little to add to what Mr. Marchand has said but I want to take one aspect of his remarks which I think are crucial and in which we are very keenly interested and that is the role that the business press plays in Canada and the particular circumstances in which it finds itself at the present time. I think, I am sure that you are very much interested in this aspect of things, what the actual state of the nation is so far as the business press is concerned. We have a unique national asset and Mr. Marchand has detailed in that the business press performs a function that is not performed by anyone else in the media and supplies information that is not supplied any other way.

We practise what we call qualified circulation in the business press. This means, very briefly, and in perhaps one or two sentences that the recipient of our magazines are and must be qualified by their occupation, by the role they play in their own industries or

professions, to receive our publications. This means in turn of course, as you will readily see, that there is a limitation to the quantities of magazines which we distribute.

It is because of this that I think it is proper to remark that the conditions of the business press in this country at the present time are anything but good. Economically, we are being taxed, taxed in the broad sense of the term, by higher postal costs, which we accepted starting last April 1 because we understand very well that the business press should not receive subsidies. I would like to make the point that we do not receive subsidies in the Canadian business press. The Canadian business press is indeed paying its own way, or at least its own way, if not more so, on the basis of the new postal rate structures which are in existence.

I believe it is important, gentlemen, to make this point now because in the interim period since last April a number of Canadian business publications have had to fall by the wayside because they have been pushed over the economic hump of non-profitability. One may say that this is not our concern. If you cannot exist on an economic basis you had better go into some other occupation. I repeat, however, that we are not asking...nor have we ever...for subsidies from the Government. We do ask for no discrimination with which nobody is probably going to argue. We feel that we are discriminated against vis-à-vis *Time* and *Reader's Digest*. They receive different postal rates than we do, statutory instead of regulatory rates. It makes a great deal of difference to us. It makes a great deal of difference to the future of the Canadian business press and to this particular national asset—and I think it is not an over-statement to use that term—whereby a Canadian reader, the Canadian businessman, the Canadian professional, and indeed the Canadian civil servant is possibly going to be deprived more and more, as he has been already, of the information which is crucial, which is valuable, which is needed in his own occupation of other magazines, as they have been, are compelled to fall by the wayside, to old.

It would be, in my judgement, gentlemen, a great service if the Government—if it were made quite clear to the Government and I think it probably has not been yet—that this national asset is a Canadian enterprise which

is of quite important national consequence to this country. We don't want, and I think you don't want, any weakening of our nationality in this respect as in any others.

Thank you very much, Mr. Chairman.

The Chairman: Thank you very much, Mr. Joel. I think, Senators, you could perhaps indicate whether you are putting your question to Mr. Joel or Mr. Marchand, and if either of you gentlemen wish to ask your colleagues to get into the act, please do so and we will be happy to hear from them. I would just say one word to the Senators and that is to remind them once again that these people are here in their capacity as representatives of the Canadian Business Press Association and are not here today representing their companies. The companies, notably Maclean-Hunter's and Southam's will be back before the Committee tomorrow. In your questions be mindful that these people represent the Association.

I believe, Senator Smith, that you are the first questioner this afternoon.

Senator Smith: Thank you, Mr. Chairman. I think my first question should be directed to Mr. Marchand since he, in his capacity as President, takes some responsibility for the brief which we have had in our hands for some time now, and I want particularly to refer him to the list of members of the business press, indicating the scope of the memberships. The last one mentioned just happens to be *The Maritime Merchant*, which I have had coming across my desk for some years and I have always enjoyed seeing it. I notice that you have it designated as coming from "St. John", New Brunswick, and I am sure that that wouldn't go down well with Senator Petten or some of my colleagues from New Brunswick were they here. *The Maritime Merchant* I know is a Saint John, New Brunswick, publication. If I may be allowed to correct that much on the record, I think we could assume that all the rest of your brief is without error, although that does not mean without any explaining to do.

Mr. Joel: We will blame that one on Mansfield.

Senator Smith: By the way I learned when I first came to Ottawa from the nearby province of Nova Scotia that Saint John was spelled with a S-A-I-N-T and I was not very highly regarded by my New Brunswick col-

leagues when I started to spell it in correspondence to them as "ST." I just say that so that you don't get into trouble. Some of us Maritimers are always looking for trouble. I suppose that Mr. Marchand...

The Chairman: Senator Smith, on a point of order here which has been drawn to my attention.

Where is the reference that you were talking about?

Senator Smith: The reference is the submission on behalf of the Canadian Business Press on page 2, paragraph 6.

The Chairman: Paragraph 6, did you say?

Senator Smith: Yes.

You stated in your opening statement, Mr. Marchand, as I recall reading in the brief that there are a total of 510 business publications in Canada, of which 132 are referred to as publication members of a "bona fide Canadian ownership". Does that mean that the balance of 378 business publications are not able to qualify because they are not *bona fide* Canadian-owned?

Mr. Marchand: This would mean that the ones that are members are, according to our own regulations, published by totally Canadian-controlled companies, if I may say so this way. It doesn't mean that some of the others would not qualify. There are some that would not qualify, definitely, but it only means that the ones that are members are *bona fide* Canadian-owned because it is one of the regulations of the Association that they should be.

Mr. George Mansfield, General Manager, Business Press Association: If I may be allowed to add to that, Mr. Chairman...

The Chairman: Yes, by all means.

Mr. Mansfield: The remaining 378 essentially are Canadian-owned publications. They just are not members of the Association. Most of them would not qualify for membership in the Association principally because they wouldn't have an audit. That is a standard requirement; they must be audited.

Senator Smith: A circulation audit you are talking about?

Mr. Mansfield: That is correct. Most of them are in fact Canadian-owned publications.

Senator Smith: Well, while we are on the numbers game, I think the business press is quite impressive to those of us who don't realize the total impact of the branch of the mass media in which you are engaged. It is quite an eye opener really to learn that there are 510 that have almost a circulation of four and a half million and each one gets a share of the \$40 million. It is a very important part of the whole field. It is perhaps very important for other reasons also which we will perhaps get to later on.

You make mention in paragraph 7 of your brief the role which I understand you play and you, I believe, have quoted that part in your opening statement. Just to refresh my own memory:

"To collect and disseminate for Canadian business and professions the experience of those engaged in a specific industry, profession or trade."

How do you play this role in so far as staff are concerned. You have the kind of staff who have experience in, say, petroleum engineering and who keep abreast of the latest developments in petroleum engineering and who therefore are in a position to gather and interpret the material that is available to him from the latest developments and record it in your particular publication. Do you do this or do you get free-lance people to cover a specific subject in the industry?

Mr. Marchand: Well, I don't think any one formula is the only formula. I think both are employed generally throughout the industry. It depends on the industry covered, it depends on the subject. Very often the editor himself or the publication who might have an editor-in-chief and maybe one or two assistant editors, would have sufficient knowledge in that particular field to write very well and make thorough research and interpret this to the readers. In certain and very special cases, the editors will go to a specialist and ask him to do a special article for instance, and probably work with him to eventually put it on paper. I don't think we can say it is just one formula that is used. It is a combination of formula where sometimes the editor might feel it is better to go and see that specialist; it is a very special area, a very delicate area, especially in a very vertical, technical field.

Senator Smith: Mr. Marchand, for example what field are you engaged in when you are

not working for the organization, or is the organization a full time job with you?

Mr. Marchand: No, I am engaged in the General Business Publications Division of our company, so I am involved in this area.

Senator Smith: Yes.

Mr. Marchand: Particularly in one area of industry also—the industrial area. I believe, if may, following us here, will be the Business Press Editors Association and they will probably expound more fully in this area that you are now talking about.

Senator Smith: Well, it seems to me that both these papers appear to go together—maybe not for the purposes of this discussion and I may get my thinking mixed up by reading both at the same time.

Mr. Joel: I think that what Mr. Marchand says is exactly true, without wanting to anticipate the Business Press Editors Association presentation which will be made following ours, and I am sure they cover this point quite adequately.

Yours is a very interesting question, Senator, because the method of editing business papers takes various forms. In some cases it is necessary and desirable to have, as editor, a professional in the field serving the particular group of readers. Let us say it is engineering or architecture. In such cases, I speak from experience because we have such publications in our own house and the editors of both engineering and architectural publications are professionals. In one case, we have a Fellow of the Royal Architectural Institute of Canada, James A. Murray, the editor of *The Canadian Architect*, and in the case of *Canadian Consultant Engineer*, the editor is Dr. Carson Morrison who was the head of the Civil Engineering Department of the University of Toronto.

This isn't always the case. We can't always afford that kind of rich blood, but where it is necessary and desirable we do. The other number houses do exactly the same sort of thing. In other cases you will find what we might have a journalist as editor of a given publication where the technical knowledge is not so highly developed or not required. It may be, perhaps, a magazine directed to business management of a particular section of the community. This would be the case with *Executive Magazine*, or the *Financial Post*,

and so forth. In these cases you will find journalists who may have their degrees in business administration so that there is no one hard and fast rule as to how editorial teams are selected or put together.

Senator Smith: Yes, I can quite understand how there wouldn't be any hard and fast rule for engineering or whatever. I wouldn't expect the smaller units of the business press to be able to afford to hire experts on their staffs because of the economics of it. Now, where do these people turn for their editorial material that goes into the smaller units? I am thinking in terms of *The Maritime Merchant*, for example. I know that it has some local news items that will appeal to the small merchant who wants to know how to promote Heinz Ketchup next month, or something like that. How do your publications do it?

Mr. Joel: Our publications, by and large, are national publications and they will go to Nova Scotia or Prince Edward Island just the same as they do to Ontario or British Columbia and they will serve—if it happens to be a grocer, his particular needs and the operations of his grocery store, or shoe store, or doctor, or whatever the case is.

Senator Smith: Paragraph 33, for example, of your brief seems to indicate that the business publications welcome press releases from public relations people employed by companies and in this respect the attitude of your publications seem to differ from the point of view of the Canadian daily newspapers. Can this be explained by the need for the smaller units in the business to use this kind of material as free editorial material that has some real reader interest in it, or is it because it is the general practice to receive this stream of press releases that are published, willy-nilly?

Mr. Joel: I could say that we are not of one mind ourselves on the value of public relations releases. The statement in here, and which I will adhere to for a moment, states that it is valuable. It states that public relations is valuable. In other instances other people may say that it is not so valuable. Therefore, there is nothing monolithic about the opinions in the Canadian Business Press or its individual members. You can make a good case for why public relations is a very necessary appendage to or supplier of information to the business press and I don't sup-

pose you would get any two editors even to agree on its value because this becomes purely a judgmental question.

The Chairman: Well, Mr. Joel, you are quarrelling with the statement because it says: "On the whole, the practice of public relations is valuable and of assistance in the business publishing field". Presumably, you do not agree?

Mr. Joel: My personal viewpoint is that there is some disagreement with this particular statement.

The Chairman: With this particular statement. That is fine.

Mr. Marchand: I think basically where we say "valuable and of assistance" would be mostly in the area of new products where the business press will be happy generally to take the information coming from the industry, from business and so on, about new developments and new products being brought out because this is the type of information which the business press feels that it should disseminate to its readers. Forgetting the advertising aspect, this is strictly a service which we are giving our readers, if we feel it is an important development in an area. It comes through as public relations or as a public relations piece through the mail. It might be of great interest and I think this is the area where it has some value to us.

Mr. Joel: Well, it is a matter of degree more than anything else.

Mr. Mansfield: However, I would say they are certainly not used willy-nilly by the editors. The editor uses his judgment as to whether it is used to the degree it is.

Senator Smith: The only point that captured my attention, really, was in relation to what we had been told before that the daily newspapers are a little stand-offish when it comes to accepting public releases, even from public bodies.

Mr. Joel: Well, I think we have just as high criteria in the Magazine Field as the daily newspapers have. The criteria in the business press have grown as a matter of fact and become much sharper in the last decade or so. It has improved immensely in its editorial integrity and its editorial quality.

Senator Smith: Well, I am sure you must feel that way. The brief indicates to me that

you regard the business publications as a recognized source of information and you mentioned that they contain the latest inventions and the newest technological developments, and so on and so forth. What other sources of information would you compete with—and I suppose you regard it on a par with any other source—I suppose that is the way you view your functions. Let me just give you a little better background on this. In this day and age—and particularly in the last few years—when there has been such a rapid development of innovation and invention and new technologies, I do not know how a monthly press, for example, can make the thing live so vitally and become a recognized source of information when surely the big companies involved in some of these developments must be having conventions from time to time. There is that source, but what other sources of information are there that would interest people in industry, for example?

Mr. Marchand: Well, sources basically outside the business press you are talking about.

Senator Smith: Yes.

Mr. Marchand: Well, this is a problem question because I feel that this is the only straight asset that we have as a business press. We feel that we are doing a fairly unique job. For an individual in industry, in business, in finance or commerce just to keep up to date, the alternative to reading good business papers, and publications is to go back to university or to business school two months every year, which is practically impossible for everyone to do. Consequently, the regular readership of good business publications becomes practically a necessity for this individual if he only wants to keep up to date. This is true especially when we get in very specialized fields such as engineering and many, many others. General business is very important in this area.

Mr. Joel: May I add something here?

The Chairman: Yes, certainly, Mr. Joel.

Mr. Joel: I think first of all that it should not be for a moment thought that the business press is a system of disseminating information on a monthly magazine basis. This is only one aspect of its activities. It, in fact, distributes information in various ways which ranges in a public form from daily to annual

dissemination. In a daily form, for example, there are intelligent reports on the building construction industry issued daily to those people who want such data. This is done by members of the business press. There are magazines, there are newspapers, which come out weekly. There are magazines which come out monthly. There are annuals which supply data needed only annually. This is the first, I think, important factor to get across to those who are perhaps not as familiar with the business press activities as we ourselves are, which is understandable.

On the other hand, the business press is today engaged in a multitude of activities which vary quite widely from its original publishing technique. It is a communications technique in our view. The business press issues newsletters of various kinds and of varying frequency in order to do exactly the thing that you were talking about, Senator, which is to keep up with the times and to distribute technological data at a frequency which the reading public needs.

There are many different techniques that are used. Seminars for example are sponsored by the members of the business press because this is one more service that they can perform for the engineer or the architect or the businessman or whatever the case may be. All of these various techniques are embraced today by the business press and are regarded as their activity on his part, and needed activity on his part, in order to do a complete job of disseminating technological data, news data of this particular industry or profession.

Senator Smith: I was also interested in another statement which you made and I will just turn to it—it is paragraph 36 which is a very short statement but it is one that I venture to say would be very difficult and almost unbelievable for a daily newspaper to make. What is this:

“The business press is accorded 100 per cent credibility by its readers.”

Even the politicians I don't think claim 99.9 per cent purity in credibility. How do you arrive at making that conclusion? It seems to me that you would have to be very, very careful indeed of the ads which are placed in the business press. You have to be very, very careful that some new method turned out to be an old one perhaps which has proven to be a failure. Perhaps I have the kind of mind

that has been trained a little more than others to be suspicious of new things. I don't know whether I have a scientific mind or not, but I was educated, perhaps, not to accept everything holus-bolus and I am sure your readers would not be as gullible generally as I would be. How do you make that claim?

Mr. Joel: Well, I think our readers, generally speaking representative, as they are, of business and the professions, have inquiring minds too and they are quite prepared to challenge and doubt what they read in the business press and this is all to the good. The letters to our editors will reflect, as a matter of fact, if there is disagreement with the point of view that a particular editor may put forward on a particular subject. I think that this is not what is actually meant by this statement. However, perhaps the syntax is subject to criticism more than the thought. The thought is that the business press is regarded by its readers as a dependable source of information and technological data because it reflects the conditions of a given industry or given profession at the time, but which is subject to correction. If we make a mistake—and we make them, as does anyone in any media—they are subject to correction in the columns of the magazine or newspapers whenever a reader dissents from our point of view. But what this means to me and what is meant is that the standards of the business press in its editorial efforts are recognized and accepted by the business and professional community in Canada as not being purchasable by advertisers and not being overwhelmed by a public relations counsel, that it is in fact independent and quite prepared to stand upon its record as an independent source of information.

Senator Smith: Thank you.

The Chairman: Well, Mr. Joel, this clause which Senator Smith has picked out that “the business press is accorded 100 per cent credibility by its readers”—would you say that we should delete credibility and put in integrity as a fairer word?

Mr. Joel: I think that would be an improvement, Mr. Chairman.

Senator Sparrow: A supplementary question, Mr. Chairman.

The Chairman: Senator Sparrow.

Senator Sparrow: Have you done surveys in this regard to determine this?

Mr. Joel: Oh, innumerable surveys of one kind or another. There have been a great number and there continues to be a great number of surveys of all kinds: science surveys, marketing surveys, the accumulation of statistical data. There is not a member company in this organization which has not, and I daresay at the present time, at the present moment, at least more than one survey going as a regular and routine part of its operations. These surveys are designed, as I say, to ascertain reader reaction and the reader acceptance of our editorials—the readability of the magazine, the marketing stature, the marketing importance of the readers themselves. This is at the present time a very important part of our activities to determine who are, let us say, the buyers of merchandise, of goods, and of capital equipment in this country, and I think in the brief you will find references to the stack that we have sponsored in past years, such things as the London study—“How Industry Buys” is the formal title of it. Those things are surveys. In addition to that we are doing reader surveys constantly.

The Chairman: Is yours a supplementary question, Mr. Fortier?

Mr. Fortier: Yes it is, Mr. Chairman.

The Chairman: Fine.

Mr. Fortier: These surveys are done by the individual publications. Are the results funnelled through to the Associations? Are the results given to the other members of the Associations which you represent here today?

Mr. Joel: Not always.

Mr. Marchand: Well, there are different types. I would say that most of the company members and the publication members of our Association have at this time or in the very recent past gone to outside organizations to do these surveys. Many also have very excellent research facilities in their own houses where they can do very good research. Much of this research is also validated in many cases by outside organizations again. Consequently, this constant research is very valid and is very well accepted by readers, by advertisers and people concerned.

Mr. Fortier: But it is made available?

Mr. Marchand: It is made available to the Association.

Mr. Mansfield: We do keep a library of members' research and this library is open to any other member.

Mr. Fortier: Do you insist on receiving the results of all these surveys?

Mr. Mansfield: Well, the word insist is rather strong. No, we don't insist.

The Chairman: Well, if a Maclean-Hunter publication has done a survey which you have on file, could a Southam publication go in and look at that result?

Mr. Mansfield: Yes.

The Chairman: Is that customary?

Mr. Mansfield: It happens, but it doesn't happen too often, I must admit.

The Chairman: You would think it would happen more often. It would give you a great competitive edge, wouldn't it?

Mr. Mansfield: Well, I don't think there is any secret in any research that is conducted by one member.

The Chairman: Well, I don't think the *Toronto Star* tells the *Toronto Telegram* about their research. As a matter of fact, I know they don't.

Mr. Joel: We do a great deal of research Mr. Chairman, on individual magazines which we are quite unprepared to submit to our competitors. I am sure that our competitors do exactly the same thing. This is a the nature of the system that we have and I think this is what we have to be. We do have however, common interests and have referred to it in these brief guidelines for research which are common to members and binding upon members of the Canadian Business Press.

The Chairman: We have a copy of the document which you provided us.

Mr. Joel: These are guidelines of research which we have adopted as an Association.

Mr. Fortier: I am having trouble reconciling these two answers. Maybe I could attempt to have it clarified. How competitive really is the business press in Canada?

Mr. Joel: I would say very.

Mr. Marchand: Very, very competitive.

Mr. Fortier: How is this translated in fact? Is it competitive in seeking advertising, is it competitive in seeking readers or what?

Mr. Joel: Well, it is competitive—of course. The life blood of the business press is advertising as you well know. We discussed before, briefly, qualified circulation which means that we do not necessarily have a full paid circulation on our magazines. Therefore, when we are assured that we are covering the given market that we intend to cover with a publication, advertising becomes its life blood. The competition then, of course, is in the seeking of advertising.

On the editor's side, there is quite a bit of competition to get out a better product, a better read product, a publication that the readers will want and will read for every month or every week or whatever the time is and create an acceptance as a leader in its field.

So, it is—the advertising revenue and then so the editorial side. Each is as important as the other as far as leadership is concerned.

Mr. Fortier: So the life blood of the publication is advertising?

Mr. Joel: Advertising revenues.

Mr. Fortier: My question is: Do your members of publications write for buyers of advertising or for readers?

Mr. Marchand: For readers.

Mr. Joel: We could not exist, Mr. Fortier, if we wrote for advertising buyers. We write for our readers who are the purchasers of what Canada makes or for that matter what Canada imports.

Mr. Fortier: And conversely it is your advertisers that keep you alive.

Mr. Joel: That is right. It is the advertisers who want a vehicle for their advertising messages to those people. We provide that vehicle.

Mr. Fortier: So the accent is on reaching as many readers as possible?

Mr. Joel: Of the right kind. Not quantitatively.

Mr. Marchand: The right kind of reader.

Mr. Fortier: Which will appeal to the right kind of advertiser?

Mr. Marchand: Yes.

The Chairman: I appreciate, Senator Smith, you are the questioner, but Mr. Fortier is on a supplementary question and I have two indications of further supplementary questions if you don't mind.

Senator Smith: I don't mind a bit.

The Chairman: Senator Everett and then Senator Sparrow.

Senator Everett: Mine is not a supplementary question.

The Chairman: Senator Sparrow, is yours a supplementary question?

Senator Sparrow: Do you have a code of advertising standards?

Mr. Marchand: We abide by the general code of advertising standards that the I.C.A. put out.

Mr. Joel: The Institute of Canadian Advertisers.

Mr. Marchand: We also have a basic code of our own which is relatively the same.

Senator Sparrow: Have you a copy of that?

Mr. Mansfield: We subscribe to the code of advertising standards which the Canadian Advertising Advisory Board has produced. I do not have a copy with me, but I could certainly forward one to you.

Senator Sparrow: I was wondering if you produced one of your own for the benefit of your advertisers and your readers?

Mr. Mansfield: No.

The Chairman: On this question of advertising, what is the ideal rate of advertising in a business publication, Mr. Marchand? Advertising to editorial content?

Mr. Marchand: I don't think you could answer that by giving an ideal ratio. In the business press—this I think is pretty much across the board—the publisher will try to do an information job with his reader. In other words, he will make sure that the editor supplies the right quality and the right amount of information consistently every month. Many, many publications—and I would say the trend is most publications today—will try and equalize the number of pages of editorial whether or not the advertising pages are numerous or not that particular month. We are interested in doing a good editorial job

without going up and down so many percentages of advertising pages.

The Chairman: Well, I appreciate that you are not here in your capacity as Montreal Manager of Maclean-Hunter Business Publications but if I could ask you a question about that. You have under your jurisdiction eight or ten publications, let us say. What would be the average ratio of editorial to advertising content? Would it be 50-50, or 60-40, or 70-30?

Mr. Marchand: Well, in the smaller publications your ratio could be sometimes 35 per cent advertising to 65 per cent editorial. As you get into the larger publications, larger in pages—you know, if you are getting a hundred and some odd pages then your ratio can change slightly. It could be closer to 50 or 55, or even 60 per cent advertising to 40 per cent editorial. What you need is a proper amount of editorial matter in every issue to do a job.

The Chairman: Well, I would like to come to that but let me ask you a second question on this. Presumably advertising in the business press perhaps has greater readership than advertising in the daily press. Would that be a fair statement? This of course is because you are appealing more to a specific...

Mr. Marchand: More of a captive audience you may mean.

The Chairman: No, I don't mean a captive audience, I mean an audience where the advertisements probably relate to a very specific need or requirement that the reader has. If I might give you an example, if I buy the Toronto papers this evening I won't look at the theatre advertisements tonight because I won't be in Toronto. It seems to me in a business paper the reader is more interested in advertising. Is that a fair statement?

Mr. Joel: Well, if Mr. Marchand doesn't want to say "yes" to that, I will.

Mr. Marchand: As interested in the advertising as they are in the other things?

The Chairman: Yes.

Mr. Marchand: Yes.

The Chairman: Well, my third question—of the national advertising budget in Canada, the overall national budget, what percentage of it would go out to the business press?

Mr. Marchand: Approximately 4 per cent.

Mr. Mansfield: Yes, approximately 4 per cent.

The Chairman: Is this placed by advertising agencies?

Mr. Marchand: Mainly.

The Chairman: Is there not a trend toward direct placement in your business?

Mr. Marchand: I don't think so.

The Chairman: What about the enormous amount of advertising in the various trade papers? I must confess that I don't read them all but I read them fairly often. What about these subsidiaries to American companies? Much of the advertising in trade papers is advertising placed on behalf of subsidiaries of American companies. Is that not correct?

Mr. Marchand: Yes.

The Chairman: Is that advertising placed there by American agencies or Canadian agencies?

Mr. Marchand: Well, both. If it is placed by a subsidiary with operating autonomy in Canada, the general rule, today, is that subsidiary with operating autonomy will have a Canadian agency. That is a trend, I think that my colleagues would agree with in the last few years.

The Chairman: That they would have Canadian agencies?

Mr. Joel: Yes, however there are still a great number of American agencies placing business in Canadian trade publications on behalf mainly of American companies without Canadian subsidiaries.

The Chairman: Well, I have one question on advertising and a couple more I would like to put to you later on, but one which I will put to you immediately. It has been said to me and it has been said to some of our researchers that by and large the rates in the business press are unrealistically high. Would you care to comment on that, Mr. Marchand?

Mr. Marchand: Well, I must say that I don't necessarily...

The Chairman: It is a very general observation I agree and I am asking for your opinion. I can't substantiate it since it is an opinion but do you think there is any validity in it?

Mr. Marchand: No. We certainly don't think so. First of all, to have a healthy industry...

try you have to have some reasonable return on your investment. If we are going to do a job editorially and communicating better to our public, we have to have a healthy organization, member publishers and so on and publications.

The Chairman: Well, is the industry healthy at the present time?

Mr. Marchand: It is relatively healthy. We have had our problems and we are going through now some readjustments because of the postal situation. We have to live with this and this is one area for instance that has hurt us badly and henceforth in the last couple of years there have been some increases in rates.

Now, when you are talking about a small publication with a relatively low circulation of 10,000, 15,000 or 20,000 for instance, your basic requirements editorially are very similar to a publication with a circulation of 400,000. You are not varying greatly there. Your own time, your preparation, your composition costs are basically the same. The only thing you haven't got is the long run and consequently a lot of your basic costs are the same as if you had a very, very high circulation magazine. How much do you charge for an advertising page if you have to cover all the costs? I don't know but perhaps Mr. Deragon would have something to say on this.

Mr. J. Deragon, Vice-President Marketing, National Business Publications: In general, I think if you would take a look certainly in the past year at the profit picture of most of the member organizations in this Association, I think this would dispel the notion that advertising rates are unduly high.

The Chairman: Why?

Mr. Deragon: Well, if you haven't got the revenue coming in to enable you to do a job—if there is less coming in than there is going out, then you have a big problem.

The Chairman: Your point then is that there is a profit and there is a great deal of revenue, or is it the opposite?

Mr. Deragon: It is the opposite.

The Chairman: Well, why don't you then lower your rates and get more revenues?

Mr. Deragon: Well, it just does not work that way.

The Chairman: Are you sure it doesn't work that way?

Mr. Deragon: Well, we haven't seen much of a trend in any line, whether it is publishing or automobiles, or even the maps that are sold by the federal Government towards lowering prices to sell more cars or maps. Prices are going up.

The Chairman: Well, I am relating my question specifically not to maps or cars but to the cost of advertising in the business press, I wanted your opinion and I have it. Thank you.

Senator Smith: I have been glancing at a table on page 6 of your brief, Mr. Marchand, in which you refer to a number of titles of U.S. business publications that are overflowing into Canada, and it is interesting to note that from 1949 to 1959 the increase in such publications was from 510 to 1,497 in that ten year period. It is roughly three times as many but from 1959 to 1969 there was not very much of an increase from roughly 1,500 to at the present time 1,750. Is that slowdown in the rate of increase of overflow due to the tax legislation that was enacted following the O'Leary Report? Is that the only factor involved in that do you think?

Mr. Marchand: Well, we feel it is one of the main factors. As a matter of fact, I think in item number 24 we sort of answer this where it says:

"The legislation resulting from the report of the Royal Commission on Publications affecting the entry into Canada of publications carrying advertising space in which advertisements indicate a specific source of availability in Canada, has slowed down the rate of increase in overflow as shown by the figures above."

Senator Smith: Well, there are still some 1,750 overflow publications coming into Canada. Doesn't that still present a rather serious problem to the industry?

Mr. Marchand: Yes, definitely. We say further here that this invasion limits to some extent the advertising revenues that some of our Canadian publications could derive, because a lot of these U.S. subsidiary companies for instance feel that their head office is advertising in some of these U.S. publications which overflow into Canada and therefore that they don't have to spend so many dollars in the Canadian market. We are getting this overflow circulation and so it does

create a problem. We are aware of that and this is one reason—

Mr. Joel: It creates an even bigger problem for our Post Office because they have to pay for distributing all those publications.

Senator Smith: I recognize of course that the postal rate problem is a real one with you. Perhaps it is one of the very important ones. I have an idea that perhaps Senator Everett or one of my other colleagues may spend a little time on that. Of those 1,750 U.S. titles coming in, is there a rather important percentage of them devoted to subjects that are not adequately covered by your own publications in Canada?

Mr. Marchand: They would be very few. Offhand I don't know any that I could name but there would be very, very few. We feel that the Canadian industry is doing an excellent job in covering the important market areas that should be covered, or industrial, or financial areas.

Senator Smith: I would expect that there would be a few but I don't want to go over every one.

Mr. Marchand: I am not saying that there aren't any, but let me say that we feel it is generally very well covered by Canadian publications.

Mr. Joel: If I may supplement that, Senator—I think it is a very interesting point. There is an increasing need of specialization in the industry and in society in general. The business press in the past has been able to meet these needs and the 510 we have in Canada and in the past have been able to serve that. I think there is a very real probability that the Canadian business press industry is going to fall short of supplying these specialized needs as industry fragments still more. As you get a certain narrow sector of a given industry requiring its own publication, we will not be able to supply it if we are in the disadvantageous position we find ourselves in in the publishing business today. I think this is a problem we are going to have to face.

Senator Smith: Yes, Mr. Joel, and you also recognized, I am sure, the postal problem in so far as the Canadian postal department is concerned. It is a pretty difficult one too to make special rules in terms of the agreement

which they have made, but I don't know enough about postal rates to get into that. Is there anything else that you might suggest to us which could be done to reduce that competition which you may regard as an unfair competition?

The Chairman: You are referring to the American overflow?

Senator Smith: Yes, to the American overflow.

Mr. Joel: Well, the American overflow—no everybody recognizes, including the Post Office I trust, that they are not getting a dime back out of all the publications that are mailed from the United States. Incidentally at a slightly lower rate than our rate and which our Post Office has to carry and distribute free. There is not a penny of revenue in that. Now, it is hard to escape the thought that we are being penalized to a very great degree by this shortage that the Post Office understandably finds itself in. Not only for this reason; I understand there are many other reasons, but I am not arguing with them. But the fact still remains that the penalties that we are paying it seems to us are putting us at an unfair disadvantage.

The Chairman: In what way?

Mr. Joel: If they are carrying and distributing X number of publications in Canada and distributing them free, and then the Post Office says...

The Chairman: Do these overflow publications carry advertising which you would otherwise get, or do they compete with you for readers? We understand the Post Office problem and we get the point, but do the overflow publications cost you readers or do they cost you advertising dollars?

Mr. Joel: They don't cost us readers. I think in the main that we are providing editorial needs but there are special kinds of thinking and we do serve the purpose. Do they cost us advertising dollars? I would say not terribly significantly.

The Chairman: Well, then Mr. Joel, if you are not worried about the advertising dollars and you are not worried about the readers, why are you worried?

Mr. Joel: We are worried about the postal rates that we are being charged.

The Chairman: Well, you relate your postal rates to these postal rates. In other words you are saying your postal rates are subsidizing the carrying of these American publications. Is that the point you are making?

Mr. Joel: That and *Time* and *Reader's Digest*.

The Chairman: Just on this chart there is one interesting comment I would like to make. I am interested to note the growth of publications, the number of titles of U.S. publications has gone up about 300 from 1959 to 1969 but the circulation has only gone up about 11,000. That is 300 circulation circulating an average of 35 magazines each. You know, that is a very interesting statistic. Presumably that means more and more specialization by the American publications.

Mr. Mansfield: I think, that is the answer, the specialization.

Senator Smith: Mr. Chairman, I will pass to Senator Everett.

Senator Everett: Just following on with this overflow circulation. Have you estimated the cost in terms of deficit to the Canadian Post Office of this overflow circulation. Does your Association have any studies on that?

Mr. Mansfield: I believe we have.

Mr. Marchand: We do have figures.

Mr. Mansfield: The Post Office itself has estimated the cost as of last year and I think they put the figure at a little over \$3 million. Now, that would cover not only the overflow from business magazines, but general United States consumer magazines.

Senator Everett: That is the general overflow cost?

Mr. Mansfield: That is correct.

Senator Everett: That isn't recovered.

Mr. Mansfield: That is right.

Senator Everett: But have you done any studies yourself to check and see whether the Post Office figures are correct?

Mr. Mansfield: We have very little means at our disposal to do such a check.

Senator Everett: You just have to accept it?

Mr. Mansfield: Yes.

Mr. Fortier: How much of this overflow situation from the United States is qualified circulation magazines as opposed to paid circulation?

Mr. Mansfield: About 60 per cent of these figures here would be qualified circulation, or maybe more than that.

Mr. Fortier: Does the same proportion exist in Canada within the business press?

Mr. Mansfield: No. We have a higher proportion of the publications under the qualified system.

Mr. Fortier: So the American publishers get paid subscriptions in Canada and the Canadian publishers distribute these free?

Mr. Mansfield: Some of the American publishers have paid circulation in Canada—maybe about 30 per cent. There would be about 70 per cent qualified.

The Chairman: From the United States?

Mr. Mansfield: Yes.

Senator Everett: I understand that the Japanese are either contemplating or have invoked a licensing scheme to handle overflow circulation. Would your Association be in favour of the Post Office having a licensing operation?

Mr. Marchand: In what way exactly, Senator?

Senator Everett: Well, in other words, those publications which come into Canada in order to get into Canada would have to pay a licence fee which would recognize the fact that they are getting overflow circulation. In other words, they are getting free circulation by the Post Office in Canada.

Mr. Marchand: Well, there exists a similar arrangement right now which we don't particularly like because we feel that we are being discriminated against and that some of the larger publishers will truck over some of their magazines to points like Windsor for instance, or nearby, and they will get the special lower rate from the Canadian Post Office to distribute here. That gives the Post Office a portion of the regular rate that they would get from a Canadian publisher for instance. The Post Office feels "Well, we are getting some money instead of none at all." They say "Well, you know, you shouldn't be

mad at us because we are doing this." We say "Yes, but we are still paying twice as much as they are." And this is the way it is.

Mr. Fortier: Why would the American magazines do that?

Mr. Marchand: Well, the Post Office gives them a special rate so that the trucking costs and the special rates do not come to too much more than what they are paying in the States.

Mr. Mansfield: Plus...they refer to it as the "mailed in Canada rate". This is a special rate that is set for foreign publications that enter the Canadian mail.

Senator Everett: Do you happen to know what this rate is?

Mr. Mansfield: I don't have it with me.

Mr. Fortier: Well, how would it compare with second class rates presently in existence in Canada?

Mr. Mansfield: It would be less than the regulatory rate of three cents, two cents, two cents, et cetera.

Senator Everett: That is a third class rate.

Mr. Mansfield: No, that is the regulatory rate. This applies to the qualified circulation publications.

Mr. Fortier: Which is also third class mail?

Mr. Mansfield: No, the third class rate is a higher rate than that.

Mr. Joel: The second class rate.

Mr. Mansfield: To my knowledge.

Mr. Fortier: As opposed to second class statutory rates?

Mr. Mansfield: It is about four and a half cents a pound. The "mailed in Canada rate" is certainly higher than four and a half cents a pound. However, it is less than the rate that the majority of business publications pay which is the regulatory rate.

Mr. Fortier: Do you have as an association figures to show how many magazines availed themselves of this "mailed in Canada rate"? How many foreign magazines?

Mr. Mansfield: I don't have that figure. Certainly the Post Office would have it.

Senator Everett: Is that rate less than the American mail rate?

Mr. Mansfield: This is the point, Senator. The Canadian Post Office sets this "mailed in Canada rate", at a rate which is less than the equivalent United States rate, to interest the U.S. publisher in gaining some money by bringing his publications and entering them in the Canadian mail.

Senator Everett: Well, would it be true to say that the American publishers who would be interested in that rate would be close to the border?

Mr. Marchand: Yes.

Mr. Mansfield: Yes. They would save trucking costs, et cetera.

Senator Everett: And those farther away from the border couldn't take advantage of this?

Mr. Mansfield: They wouldn't avail themselves of that "mailed in Canada rate."

Mr. Fortier: Well, it seems to me that the Post Office by allowing foreign magazines to do this is really defeating to a certain extent the purpose of section 12A of the Income Tax Act?

Mr. Mansfield: This is correct.

Mr. Fortier: It is facilitating the mailing of Canada of U.S. publications.

Mr. Joel: That is correct.

Mr. Fortier: I would be very interested knowing this. Could you get that figure before eight o'clock this evening when the Honourable Eric Kierans is coming as a witness?

Mr. Mansfield: I would have to call the Department.

Mr. Fortier: I would be interested to see you get the same figure that he will give us.

Mr. Mansfield: I will do that.

Senator Beaubien: Mr. Mansfield, this overflow which is costing the Canadian Post Office \$4 million—does the American Post Office in any way do anything for us which would reciprocate in any way?

Mr. Mansfield: No.

Senator Beaubien: It is just a one way street? Do they not take a loss on material they distribute for us?

Mr. Mansfield: Well, there is certainly so much more coming this way than there is going the other way.

Mr. Fortier: As an Association, do you know how many of your members actually avail themselves of this privilege in the United States?

Mr. Mansfield: I don't think we have any that do this.

Mr. Marchand: No, we do not have that figure for the business press. The Post Office has the figures for the total. Mr. Kierans might know the answer.

Senator Sparrow: But do you have...

The Chairman: Well, Senator Everett is still the questioner. Is this a supplementary question Senator Sparrow?

Senator Sparrow: Well, they are making the statement that the Canadian Post Office is subsidizing the American magazines for postal rates. Is this in fact what is happening?

Mr. Mansfield: Yes.

The Chairman: May I remind the Honourable Senators that we are seeing the Postmaster General this evening, not this afternoon.

Senator Everett: Mr. Chairman, the evidence on which we base the questions for the Postmaster General often comes from people like this.

The Chairman: Yes, I take Senator Everett's point except that it has been said twice here this afternoon that we will have to get the information from the Post Office.

Senator Everett: You say that most of our Canadian business publications are distributed under the qualified circulation system. Do you know how many are not?

Mr. Mansfield: Well, Senator, we have a membership of 132 publications and we have less than ten that are paid. We have less than ten that get the statutory rate. The remainder are on the regulatory rate.

Senator Everett: Do you have any non-profit Association belonging to your Association?

Mr. Mansfield: Yes, quite a number.

Senator Everett: Would any of the ten be non-profit?

Mr. Mansfield: *Canadian Business*, which is published by the Canadian Chamber of Commerce is a paid statutory publication.

Senator Everett: Well, that is a non-profit organization under the meaning of the Post Office Rules and Regulations. You say they get the special rate?

Mr. Mansfield: I beg your pardon Senator. Since the new rates came in they are third class.

Senator Everett: They are third class?

Mr. Mansfield: That is correct.

Senator Everett: Can you give me your understanding of the difference between second class statutory, second class regulatory and third class? Are you saying that the regulatory rate applies only to those magazines that distribute under the qualified circulation system?

Mr. Mansfield: The regulatory rate applies to any publication that has less than 50 per cent of its circulation paid.

Senator Everett: Which is what we call a qualified circulation.

Mr. Mansfield: That is correct.

Senator Everett: And that is the three, two, two...

Mr. Mansfield: The three, two, two—it amounts to 17 cents per pound, depending on the weight of the publication.

Senator Everett: Well, could you tell me what the third class rate is?

Mr. Mansfield: Well, I am quite sure it is five cents for the first two ounces, Senator, and I think it is three cents for each succeeding two ounces.

Senator Everett: In the case of the Canadian business press they would be five cents and...

Mr. Mansfield: And three cents for each additional two ounces. All Association publications fall in that category.

Senator Everett: That is a help. Thank you.

Mr. Fortier: Do you as a group have any members—I think the question was asked but I don't know whether the answer was given. Do you have any member magazine which now is charged third class rate?

Mr. Mansfield: Yes, we have quite a number of them.

Mr. Fortier: Those are the Association publications?

Mr. Mansfield: Yes.

Mr. Fortier: And the number is?

Mr. Mansfield: I have my list here—there are ten.

Mr. Fortier: Has any one of those publications gone out of existence since they were transferred from second class to third class rates?

Mr. Mansfield: None of these particular publications, none of these ten, but there are quite a number of Association publications which have.

Mr. Fortier: Well, we are aware of that, but I wondered if any of those which belong to your Association had been forced out of business?

Mr. Marchand: None that I can think of.

The Chairman: Senator Everett?

Senator Everett: In paragraph 14, page 5, starting with the first sentence there:

"We feel that the regulatory rate applied to these qualified circulation business publications—three cents for the first two ounces, two cents for each additional two ounces or fraction thereof, per copy—is excessive when compared with the statutory bulk rate of four and a half cents per pound."

I thought the statutory rate was five cents a pound and two cents apiece?

Mr. Mansfield: Well, Senator, it will be five cents a pound as of March of next year. They imposed the rate in three stages, four cents a pound for the first year, four and a half cents for the second year, and five cents a pound for the third year.

Senator Everett: But the two cents apiece applies?

Mr. Mansfield: That is correct. Two cents as a minimum.

The Chairman: Two cents as a minimum?

Mr. Mansfield: Yes.

Senator Everett: You stated in your verbal evidence at the beginning of this hearing that

the business press should not receive subsidies. You are paying your own way. Have you any figures to support that contention that you are paying your own way?

Mr. Mansfield: Individual publishers have figures and, Mr. Chairman, are we allowed to call anyone from the audience?

The Chairman: Well, we will be dealing with the individual publishers tomorrow. In fairness to them, they are expecting to be called tomorrow rather than today.

Mr. Mansfield: Well, it will be hard for me to give you an across-the-board answer. In other words, I can't speak for individual members and give you a general answer to that, but certainly Maclean-Hunter and Southam, when they come here tomorrow, should be able to give you some answer to that question.

The Chairman: Well, if Senator Everett feels that it would be useful for him to know today and if those people wish to say something, I don't mean to limit them. Would you like them to comment on it?

Senator Everett: No, it was just a statement that Mr. Marchand made.

Mr. Marchand: Well, I could just give general consensus of opinion amongst the publishers. A couple of years ago the Post Office people gave us unofficially a figure of 4.6 cents per copy as a distribution cost. Now this was unofficial so I don't want to let this be the end-all and we, checking back through our membership, have found that the greater number of our publications are paying under the new rates upwards of five, or six, or seven, or as high as 19 cents, and in a few cases 25 cents per copy for distribution. Without going into a very detailed survey of this, we assume, fairly accurately I may say, that we are paying our own way. We assume that we are paying our own way and more. Here we are talking about the members of the CBP—the Canadian Business Press. We know that outside, some of the very small very light publications might not, but here we are talking relative to a minimum. The minimum is too low. There are all kinds of things that have to be taken into consideration.

Senator Everett: But the average weight would indicate it is too low?

Mr. Marchand: It brings us over the cost that we feel we should pay.

Senator Everett: Well, there seems to be a bit of a conflict in your submission—in your verbal submission you made the point that you should not be subsidized, but in Mr. Glassford's submission he states that the B.P.E.A. feels that all Canadian business publications should be allowed the statutory second class mailing rates which would vary from four to five cents a pound depending on the time, and you say after March it will be five cents a pound. In that case you wouldn't be paying your own way, would you?

Mr. Marchand: Well, if we were brought down to that point. But I think the point that the CBP makes is that we don't like the discrimination that some are getting subsidies and some are not. We don't like the fact that we are paying our own way and other publications are not.

Senator Everett: Well, speaking of these subsidies you singled out *Time* and *Reader's Digest* and suggested that they are getting a subsidy that you are not. Are they the only people that you are concerned about, or are there others?

Mr. Marchand: Well, all statutory rate holders are. Not all, but some are paying their own way.

Mr. Fortier: Do you consider *Time* and *Reader's Digest* competitors of yours or any of your member publications?

Mr. Marchand: Well, *Time* particularly would be a competitor to some of our financial and business publication members. *Reader's Digest* would be a competitor too, of course, in the other consumer areas.

Mr. Mansfield: *Time* magazine carries a fair amount of advertising which could be carried by my member publications.

Mr. Marchand: Very much so, we have a lot of proof of this.

Senator Everett: Well, I wonder if they could enlarge on that because I would have thought that while you could carry it it would be unlikely that the advertiser would use a business publication as a substitute for *Time* magazine.

Mr. Mansfield: Well, there is a fair amount of advertising that carried in *Time* magazine, but it is also carried in business publications.

The Chairman: Could you give us some examples?

Senator Everett: Well, if you use the qualified circulation presumably you are going for the most part to the dealer, or the reader, or wholesaler, whereas *Time* presumably would be directed more towards the consumer. It seems to me that if I were advertising I would use *Time* as a consumers' magazine.

Mr. Mansfield: It is also used for a general business publication. In other words, it is a publication which is read by businessmen. It also could be said that it is competitive with one of Mr. Joel's publications, *The Executive*.

Mr. Joel: It is competitive, Senator, with a number of publications. Most are, but we don't mind that type of competition. That is fine as long as the starting point of the race is exactly at the same point. This is the point that we would like to make. We think, as you do, that we have some special benefits to offer our readers because we zero in on readers and small groups in a specialized way and are writing just for them. There is no generality but only specialization. *Time* and *Reader's Digest* received this rate which puts them in an advantageous position vis-à-vis us. At the same time they are competing in many instances in industrial companies' advertising budgets with the business press. If you pick up any copy of *Time* magazine you will see exactly what I mean. If you turn the pages you will find industrial companies...

The Chairman: Would you name a few just so we know what you mean?

Mr. Joel: Companies?

The Chairman: Well, kinds of advertisers, yes, that Senator Everett is talking about who use *Time* and who could conceivably use *Reader's Digest* or others?

Mr. Joel: ...You will find, let us say, Canadian Westinghouse advertising heavy equipment in *Time* magazine. Now, this may not be current—you asked me to name something off hand. There may be advertising, and you will find it in *Time* magazine, for heavy equipment or perhaps trucks. Trucks is probably a good example. We will carry that ad in a medium which is going to people who buy trucks and use trucks but *Time* magazine will go to people—presumably those people, but also to Ottawa housewives. I have nothing against Ottawa housewives, but they don't buy trucks.

Senator Everett: Let me ask you this question. Presumably what you are saying is that a regulatory rate should be done away with. Is that right? As I understand it the regulatory rate applies to qualified circulation magazines.

Mr. Marchand: Well, what we are saying is that there shouldn't be any difference between a qualified or a paid circulation. We should start from there.

Mr. Joel: We are not discussing what rate should be set but we are saying there should be no discrimination between those two.

Senator Everett: What about the discrimination which exists between qualified circulation magazines published by profit-making organizations and those that are published by associations?

Mr. Mansfield: Well, we think that that is discrimination against the Association publications. We are so on record with the Postmaster-General.

Mr. Marchand: We have told the Postmaster-General that it was not up to the Post Office to discriminate against them. If they had to be put on a par with commercial establishments, profit-making organizations, income tax people should go in and tax their profit like commercial establishments. It is up to the Income Tax Department, not the Post Office, to do such a thing.

Senator Everett: So what you are suggesting is there should be one rate—a second class rate?

Mr. Mansfield: That is correct, sir.

Mr. Joel: And there should be consistency too in the handling of foreign publications.

Senator Everett: By what means?

Mr. Joel: Well, as to the American publications with overflow circulation in Canada.

Senator Everett: What means are you suggesting?

Mr. Joel: I think there should probably be some international regulation by the International Post Office Organization which deals with those things.

Senator Everett: Well, there is an international regulation that a country handles the other country's mail free.

Mr. Joel: Yes, but I think in a case like this that it is an obvious injustice and hardship, where there are publications coming into Canada from the United States, but practically none going the other way. There should be some equity established.

Mr. Mansfield: That regulation does not apply to parcel post, Senator, by the way. They do have terminal payments for fourth class mail.

Senator Everett: I see.

Mr. Mansfield: In other words, there is a measurement taken and a repayment made between the countries.

Senator Everett: You are saying that a measurement could be taken in such a case as this?

Mr. Mansfield: It could be and this, by the way, was one of the recommendations in the O'Leary Commission. This was one of Mr. O'Leary's recommendations.

Senator Everett: You say, Mr. Marchand, that a number of business publications have fallen by the wayside on account of the increase in the postal rate and the reclassification. Do you have any idea of how many or what business publications have fallen by the wayside?

Mr. Marchand: Well, we know of a number ourselves. I could provide you with a list, but I don't have one with me.

Mr. Mansfield: I have such a list.

Senator Everett: Could we have one before eight o'clock tonight?

Mr. Marchand: About 35 publications.

Mr. Mansfield: I have been providing the Post Office with such a list, by the way.

Senator Everett: Could you tell me what loss of circulation has been suffered by the business publications on account of the increase in postal rate and reclassification?

Mr. Marchand: Well, I don't think we have those figures available for the Association's publications. There have been a number you know of changes in frequency and in certain cases trimming down circulation in some areas, but we have no figures.

Senator Everett: You say on page 8 of your brief:

"Member publishers welcome the proposed improvement in the Post Office organization and procedures as they must rely completely on the Post Office for distribution of their publications."

Could you explain that?

Mr. Marchand: Well, let us say that there have been changes that have been discussed for a number of years. They are now going into the possibility of the Post Office being changed to a Crown corporation. If it can help to expedite things and make the service more cost-conscious—I wouldn't say profitable—but certainly more efficient—this is an area in which we have a particular concern. We feel that in the last couple of years, since some of the changes have come about, the service is not better. We are paying much higher rates and the service has deteriorated, particularly for second and third class rates. Publications were distributed before within five days or four days most of the time, now it takes anywhere from eight to 15 days. We are getting a service which is much worse than it ever has been.

Senator Everett: Well, this is a hope that you are expressing here, is that correct?

Mr. Marchand: Yes.

Mr. Fortier: To what extent do you do the Post Office's job?

Mr. Marchand: Well, members of our Association are working very, very closely, exceptionally closely with the Post Office. As a matter of fact, some of our publications will break down by area as small as a city area. I have been told, practically a walk in some of the publications. Generally, it is by postal zone throughout the country, throughout Canada.

Senator Beaubien: You bag them?

Mr. Marchand: Oh yes, definitely.

Senator Beaubien: This is all done by you?

Mr. Marchand: Oh yes, definitely, this is all done before it goes to the Post Office, so we do a lot of the preliminary sorting.

Mr. Fortier: Did you do that before this increase in the postal rates?

Mr. Marchand: Yes.

Senator Beaubien: You have always done

Mr. Marchand: Well, most of us have done it. Some have intensified that and some who weren't doing it are doing it now.

Mr. Fortier: With one publication which you don't need to name, would you give us the whole route from your printing shop all the way through to the final destination? All the way to the reader?

Mr. Marchand: Well, I don't know if I could give you a thorough sample.

Mr. Fortier: Well, we would like to know the service that the Post Office renders to your publications.

Mr. Marchand: Well, I believe that one of our gentlemen here from the Association might be able to give us a routine.

Mr. Fortier: Mr. Joel maybe could give us this.

Mr. Joel: Well, if I understand your question, Mr. Fortier, you want to know what we do and what the Post Office does?

Mr. Fortier: Yes, please.

Mr. Joel: Well, the magazines at the printer when they come off the bindery are bundled and sorted according to the postal zone and down to—and Mr. Marchand is correct in this—down to as sharp a detail as postal walks in some cases. They are delivered in that form, in that bulk to the post office.

Mr. Fortier: To one of the registered post offices?

Mr. Joel: Yes. They are delivered in that form.

Senator Everett: Are they sometimes delivered in that form to the railway stations?

Mr. Joel: I don't know.

Mr. Marchand: I believe so.

Mr. Mansfield: Yes.

Mr. Joel: From that point on I can't answer for any other part of the process.

Mr. Fortier: Well, if they are bundled in that way to the extent that one bundle would include only those magazines which would be distributed by one postman...

Mr. Joel: Well, this isn't universally the case. I am not trying to suggest that this happens in all cases because obviously there

are different needs and different requirements. However, it does go down to that fine a detail.

Mr. Fortier: This would require a fair amount of co-operation between the Post Office and the individual publications?

Mr. Joel: The Post Office, we have found, has been most co-operative, and we with them, and in the operation of our relationship there has been very little complaint about it over the years.

Mr. Fortier: Supposing we were faced with increased postal rates you would reply to the Post Office "Fine, but you bundle them now." What would be the post office's reaction do you think?

Mr. Joel: I would hate to tell you.

Mr. Fortier: In other words, what I am saying is, since when have you been bundling at the request of the Post Office?

Mr. Marchand: It would be 15 years at least.

Mr. Joel: That is a long time.

Senator Everett: The Post Office suggests that it is merely trying to cover its cost in such rates as the regulatory rates. Had the Association or any of its members estimated the actual cost to the Post Office of distributing a magazine or business publication?

Mr. Mansfield: It is rather difficult to figure that out, Senator. You actually have to be inside the Post Office to know what is happening.

Mr. Joel: It is a factor of the service. This is why it is difficult to answer. Is the particular magazine going to be handled when it is convenient to a given sub-post office as happens, or is it going to be handled on a basis of when it was received and work put into it then?

Mr. Fortier: Has the service by the Post Office improved in the last 15 years?

Mr. Joel: No.

Mr. Marchand: It has deteriorated.

Mr. Fortier: You are paying a great deal more?

Mr. Marchand: Yes.

Mr. Fortier: For this deteriorated service?

Mr. Marchand: Yes. We feel it is not the users' fault if the equipment and methods of the Post Office are not up to par and we shouldn't be made to pay for it.

Senator Everett: If a publication bundles the mail, delivers it to the railway station and so sorts it in the bundling that it is broken down to postal walks, what is the cost content to the Post Office? I assume it is the freight rate?

Mr. Joel: I am sure there are other costs there, Senator.

Senator Everett: Do you know what they are?

Mr. Joel: No, I am not in the Post Office.

The Chairman: Well, Senator, that is a question we can look into tonight.

Mr. Fortier: It is evident as one looks at these new rates that it is cheaper from a postal rate point of view to decrease the size of the magazine by so much as one ounce or one-tenth of an ounce. Given that premise, which we both understand, could we find out what number of pages are involved in one-tenth of an ounce of standard size magazine of say 8½ by 11 inches? What does that represent at one-tenth of an ounce?

Mr. Joel: How many pages?

Mr. Fortier: Yes.

Mr. Joel: Again, there is an unknown factor—the weight of the paper stock that is being used and it varies quite widely. It is a difficult question and it is difficult to answer it. It might be one page if it is heavy stock.

Senator Smith: Well, you are going to use light stock now, aren't you?

Mr. Joel: We sure are. It might be two pages.

Mr. Fortier: Well, that is the range that we are talking about is it?

Mr. Joel: Yes. I suppose—I don't know if we have any answer, but it could be as much as four or five pages. This of course would be the case if it is extremely light stock.

Mr. Fortier: To your knowledge has any member of your publications attempted to do this?

Mr. Joel: Oh, yes.

Mr. Fortier: Trying to beat them at their own game?

Mr. Joel: We are trying to maintain some proper ratio in our costs. A portion of our costs has to be assessed with the postal delivery.

Mr. Fortier: You must be doing a lot of weighing these days?

Mr. Marchand: Yes.

Senator Smith: Mr. Joel, is it much more expensive to get the very fine paper?

Mr. Joel: No, it is not more expensive. It is in economy to us but there are some publications in which very lightweight stock is not acceptable. We don't use it but we have to be prepared to accept the higher postal cost that that factor produces.

The Chairman: Senator Everett?

Senator Everett: You say on page 9 of your brief, item 30:

"As it applies to the business press, the establishment of a Press Council would not be necessary."

Does that mean that you are not opposed to press council for others but not for ourselves?

Mr. Marchand: Well, I don't think we have any strong views on this. Let us say that we don't see any great advantages at this time for the business press.

Senator Everett: Well, do you have a view against the concept of a press council?

Mr. Marchand: No.

Mr. Mansfield: No.

Mr. Marchand: Well, there is no need for it in the business press area. I think that is our point, Senator.

Senator Everett: Well, if a plumber has a complaint against a plumbing magazine wouldn't a press council be useful for a place for him to lodge his complaint?

Mr. Mansfield: Well, we receive very few complaints, Senator. I think that is the main point.

Mr. Joel: There is an opportunity for the plumber to air his complaints. A plumber can always lodge his complaints with the letters to the editor, and he is always invited to do

so, and you will find his letters in the business press.

Senator Everett: Well, I think that is right. I think every publisher has assured us that his particular organ everybody who wants to complain has an opportunity to complain with the letters to the editor, but the concept of a press council goes beyond that. This would be a sort of self-regulatory body that the public could complain to and where a formal hearing would be held. I just can't see why you would be opposed to it?

Mr. Marchand: We are not opposed to it. I just said we had no strong views about it. Maybe we could change our minds and say yes it would be good. We would be prepared to change. Right at the moment, we don't feel there is a great need for it so we feel that we are not very strongly in favour of it but we are not against it.

Mr. Fortier: In those countries where there are press councils in Europe, do you know whether or not they have jurisdiction over business publications?

The Chairman: Mr. Mansfield, are you familiar with that?

Mr. Mansfield: Well, I think the British do have a member of the business press on the press council board.

The Chairman: We have the business press Editors' Association present and we are going to call on them in just a few moments, but perhaps before we do could I just ask our guests a question? Mr. Marchand, how long have you been in the business press business, if you will pardon that phraseology?

Mr. Marchand: Oh, thirteen years.

The Chairman: Mr. Deragon?

Mr. Deragon: Twenty-nine years.

The Chairman: Mr. Joel?

Mr. Joel: Thirteen years.

The Chairman: Mr. Mansfield?

Mr. Mansfield: Seventeen years.

The Chairman: So you have had a lot of experience collectively.

Mr. Marchand: Yes.

The Chairman: May I ask you this: Have any of you ever been editors of a business publication?

Mr. Mansfield: I have.

Mr. Marchand: No.

The Chairman: Mr. Deragon?

Mr. Deragon: Yes.

The Chairman: And what publication if you don't mind my asking?

Mr. Deragon: *Canadian Industrial Equipment News*.

The Chairman: Mr. Joel?

Mr. Joel: No.

The Chairman: One thing that strikes me about your business, and I put this to you Mr. Marchand, is that it seems strange that the managers from the business side—as I understand it and please correct me if I am wrong—select or determine who the editors will be. Is that true?

Mr. Marchand: You mean on a particular publication?

The Chairman: Yes.

Mr. Marchand: Well, management will hire, yes—publishers will hire editors.

The Chairman: Well, but on the average publication don't you have an advertising person appointing or recommending an editor?

Mr. Marchand: No, not necessarily.

The Chairman: Well, what happens then?

Mr. Marchand: Well, in many of our houses here, some of the top management people have been editors in their own right and have come up through the ranks.

The Chairman: Well, aren't those exceptions to the rule?

Mr. Marchand: Not really exceptions. Not in that sense. There may be one out of a hundred.

The Chairman: So the editors are in no sense second-class citizens then?

Mr. Marchand: Well, we like to think not.

The Chairman: Well, I am going to ask them when they come here—on the average business paper who makes the most money, the editor or the advertising manager?

Mr. Marchand: Well, sometimes the editor and sometimes the advertising manager.

The Chairman: Well, on the average?

Mr. Marchand: Well, the advertising manager very often—well, I don't know.

The Chairman: I am a former advertising salesman...

Mr. Marchand: I can't say. This is something which is difficult for me to answer but would say generally, they wouldn't be too far apart.

Mr. Joel: It is not difficult for me to answer.

The Chairman: Well, would you care to answer it then?

Mr. Joel: The editor today makes more money than the advertising representative. I would say he makes about the same or possibly less than—the editor does—than what we call, in most member companies, an advertising manager, which is a rank above.

The Chairman: Well, let us just take one of your publications. Let us take—oh, let me just choose one at random here—“*Sporting Goods News*. Are you familiar with that particular publication?

Mr. Marchand: No.

The Chairman: Well, all I really want to know is how many people would sell advertising for that publication?

Mr. Joel: Possibly one or two, I would guess.

The Chairman: Well, there would be an advertising manager and an advertising salesman and an editor and that would be the team, would it?

Mr. Joel: No, it wouldn't even be that. I don't think in that particular case. If it is a small company, you would probably have doubling in brass of the general manager, the company who is also either editor, director or advertising director, as the case may be. If you took one of the Maclean Hunter or Southam National Business publications, it could be different.

The Chairman: Well, take *Canadian Forestry Industries*—that is one of yours?

Mr. Joel: Yes.

The Chairman: With *Canadian Forestry Industries*, there would be an editor?

Mr. Joel: There would be an editor and an assistant editor and an editorial assistant in that case—a full time staff of three.

The Chairman: And how many on the advertising staff are there?

Mr. Joel: On the advertising side there would be an advertising manager and an advertising salesman.

The Chairman: Now, would that advertising manager sell advertising for any of the other Southam publications?

Mr. Joel: Well, he might in fact have a responsibility across the two publications, but generally I would think not.

The Chairman: The advertising salesman would though?

Mr. Joel: The advertising salesman would not. He would be only responsible for that one publication. This is of course as a general rule.

The Chairman: Well, I don't want to prolong this discussion because perhaps I am getting into areas which I will be talking about tomorrow with the other companies, and I know that the Business Press Editors Association are waiting. Mr. Fortier, do you have one final question?

Mr. Fortier: I feel compelled to ask this and I am not trying to be mean or facetious in any way, but after two hours of listening and having read the brief, I would like to know what role do you really play as an Association? In other words, would the business press publications field be less healthy if you as an Association were to disappear?

Mr. Marchand: Well, we think so.

The Chairman: Well, Mr. Fortier, that is a pretty vague question. It could take until five o'clock for the witness to answer.

Mr. Fortier: Well, I am not satisfied that there has been an answer yet, either in the written brief or the verbal presentation of a positive service which is rendered by this association to the member publications. I don't think Mr. Mansfield agrees with this, but unfortunately I don't think in the last two hours we had had any answer given by the association.

Mr. Joel: You will have that, Mr. Fortier, in the next presentation from the Business Press Editors' Association which is a component part of the Canadian Business Press.

Mr. Fortier: It is a division of the Canadian Business Press Association?

Mr. Joel: That is right.

Mr. Fortier: Well, they are only the editors, though.

Mr. Joel: Well, I am only citing one component of the industry of the Canadian Business Press which are the editors. All I am going to say is in a very restrictive way that the Business Press Editors' Association, I would suggest, has a contribution to the authority, if you like, of the Canadian Business Press.

The Chairman: Well, I think there is a very important point here for clarification. The Business Press Editors, who we are going to hear from in a moment or two, are a component part of the Canadian Business Press industry or of the Canadian Business Press Association?

Mr. Joel: Association.

The Chairman: They are?

Mr. Joel: Yes.

Mr. Fortier: Not legally?

Mr. Joel: Well, they are not illegal.

Mr. Fortier: What is the association between the two Associations?

Mr. Marchand: As an answer to your question and maybe as a final answer, maybe Mr. Mansfield could give you an idea of the types or the number of committees that this Association has and the type or work that they do.

Mr. Fortier: Well, I think it is a very important question.

The Chairman: May I suggest, Mr. Mansfield, in the interest of time that you highlight that document and perhaps you could table it?

Mr. Mansfield: Yes.

The Chairman: Please go ahead.

Mr. Mansfield: We do have seven standing committees and these operate in the areas of: Advertising; Public Relations—this is a promotion of our industry as opposed to other media; Publishing costs; General Practices—by the way this question of the members subscribing to a standards of practice within the organization is to upgrade the industry

and this is of course one major benefit of membership; Research; Circulation; and Circulation Policies. This is the kind of work that does go on. It is a committee working organization and the individual members benefit from the work of these committees.

Mr. Fortier: It seems to me in the Association brief that this should have been stressed because you are here as representing the Association and we are limited in our questioning although, we have perhaps gone far afield.

Mr. Joel: You are quite right.

The Chairman: Well, gentlemen, notwithstanding Mr. Fortier's comment, I think we are all grateful that you have been here—nor am I putting his comment down because it is perfectly valid. We are delighted that you have been here and I hope that you stay for the next presentation, and indeed I hope that you stay tomorrow and hear the companies.

May I say to the Senators that I am going to adjourn for exactly five minutes.

—A short recess.

The Chairman: Honourable Senators, if I may call this meeting back to order.

The second brief we are going to receive this afternoon is from the Business Press Editors' Association. Perhaps without any further formality I could introduce the people who are present. Sitting on my immediate right is Mr. Bruce Glassford who is the President of the Business Press Editors' Association. He is also the editor of *Modern Power and Engineering* which is a Maclean-Hunter publication. Sitting on his right is Mr. George Keefe, the First Vice President of the Business Press Editors' Association and the editor of *Canadian Industrial Equipment News* which is a publication of National Business Publications Limited. On Mr. Keefe's right is Mr. Barry Kay who is the Chairman of the Toronto Chapter of the Business Press Editors' Association. He is also editor of *Canadian Paint and Finishing*, which is a Maclean-Hunter Limited publication. On Mr. Kay's right, and on my extreme right, is Mr. Alan Hewittson who is a director of the Association and a managing editor of *Canadian Consulting Engineer* which is a Southam business publication. On my immediate left is Mr. Gilles Verronneau who is the Immediate Past President of the Association and the editor of *Genie-Construction* which is a Southam business publication. On my extreme left is Mrs. Doreen Sanders, director of the Business

Press Editors' Association and editor of *The Business Quarterly*, a publication of the School of Business Administration of the University of Western Ontario.

Now, as I understand it, instead of making any formal statement, Mr. Glassford simply wishes to give us a word of greeting and then instead of the usual formal 15 minute oral presentation, I understand there is a short slide presentation.

Mr. W. B. Glassford, President, Business Press Editors' Association and Editor, Modern Power and Engineering: That is right. What I felt we should do today by means of a slide presentation was to explain the performance, and influence an impact of the business press in Canada as editors see it. After that we would be very happy to answer questions about this brief and in our role as representatives of the B.P.E.A. And on areas not covered in the brief we would be very happy to give our views on any subjects which you would care to raise.

The Chairman: Thank you very much, Mr. Glassford.

—(Slide presentation commenced at 4.53 p.m. and continued until 5 p.m.)

The Chairman: Thank you, Mr. Glassford. Do you wish to add anything at this point?

Mr. Glassford: No.

The Chairman: I believe Senator Petten is going to begin the questioning this afternoon.

Senator Petten: Thank you very much, Mr. Chairman.

Mr. Glassford, I am going to start off I hope on a little lighter note than my colleague did about Saint John. I won't tell you how to spell Saint John, however. It has been very noticeable among the business press editors that there is a very high proportion of journalists from Great Britain. Is there any particular reason for this?

Mr. Glassford: I think this is a cycle we went through a number of years back and I think the proportion is probably decreasing somewhat now. It was just a matter of availability of trained journalists at that time. At that point there were not the trained journalists in Canada.

Senator Petten: You say one of the objectives of B.P.E.A. is "to maintain ethical standards of conduct in the practice of business journalism." Now, how do you go about setting these standards?

Mr. Glassford: That is a very good question because we do have a little problem here on the other point. We have specified very distinctly that it is not the purpose of this organization to interfere with or in any way take away from the members editorial independence. That is in the constitution, but I would not say that we are enforcing ethical standards other than by a continuing program of education and example of achievements of what is going on in the business press.

Senator Petten: You don't police it or follow it up in any way. You just tell your members to abide by what you say in your constitution?

Mr. Glassford: This is correct.

Senator Petten: There is no check on what they do?

Mr. Glassford: No.

Senator Petten: Another one of the objectives given is to "help develop a higher standard of business leadership." Now, would you like to expand on that a little bit? Are you suggesting that the leadership is not very high at the present time?

Mr. Glassford: Not at all really. I think, basically, the examples we have just cited in the film here—the Wilson Memorial Awards contest winners—we have established this contest as an incentive really to encourage the business press editors to take leadership positions and to really lead their industry. We have cited specific cases in the film where this has taken place.

Senator Petten: In the case of pollution, you bring it to the attention of the public more than anyone else?

Mr. Glassford: Yes, to bring it to the public as well as to our own members really. As far as the editors are concerned, we try to educate and to interchange the information and achievements that we have in the business press. I think this is really our main function.

Senator Petten: Section 4 points out that the publishers' Association finances at least some of the activities of the B.P.E.A. Does B.P.E.A. charge fees to its members? Maybe you should answer the first part of that question first.

Mr. Glassford: In one way or another the publishers finance everything we do, only because of the way the Business Press Editors

Association functions. The fees that are charged by B.P.E.A. to attend are ultimately reimbursed to the other employees.

Senator Petten: They cover the cost of the whole business. You don't have an annual budget as such?

Mr. Glassford: Actually we do. We operate on a \$1,500 grant for overhead expenses really from CBP to cover the operating expenses of B.P.E.A., but normally the bulk of our funds come from the functions that we operate and for which we charge fees.

Senator Petten: Well, for example a registration fee. You don't charge a fee as such for your Association?

Mr. Glassford: No, not an annual fee. This is what the grant from CBP replaces, really. Otherwise, we would have to charge individual members individual membership fees.

Senator Petten: Well, the point I am trying to get at is, doesn't this put you under a bit of an obligation to the people who employ you? I am not suggesting they do, but I am just asking.

Mr. Glassford: No, I don't feel it does. Basically the way I feel as far as B.P.E.A. is concerned is that we have been set up as part of CBP to encourage and to improve the editorial function in the business press. How we do it, you know, is left strictly up to us.

The Chairman: Well, following Senator Petten's question, does it ever happen that you disagree with CBP?

Mr. Glassford: Very strongly.

The Chairman: Can you give us any specific examples?

Mr. Glassford: Well, for example, a very minor point is in the difference between the two briefs here.

The Chairman: Well, Mr. Fortier thinks that is a major point.

Mr. Glassford: Well, for example, on the postal rates. I have suggested really that we should enjoy statutory rates but my point is not necessarily in terms of dollars and cents. What I am suggesting is that the business press get a statutory rate. This of course is to say that it would not necessarily increase or decrease our postage costs, but from the editorial point of view of eliminating the possible hazards that we view as editors of

having the publisher eliminate editorial pages strictly to reach a specific step in the postal scale.

The Chairman: Well, as you point out that is a difference in approach and I agree with you, but do you ever differ with them in terms of something which is more meaningful and not just about some exterior matter? Do you ever disagree with them about some matter that affects you vitally?

Mr. Glassford: Yes.

The Chairman: Well, again, could you give us an example?

Mr. Glassford: Well, for example, last year we had an election in which basically the existing executive proposed in effect to disband B.P.E.A. as it was presently constituted and to form a voluntary organization outside of C.B.P. The membership voted it down and this was a case where the executive of B.P.E.A. at that time were taking a position directly contrary obviously to the expressed intention of C.B.P.

The Chairman: Do you use a general manager to do your work.

Mr. Glassford: Right.

Senator Peitten: In section 18 you discuss the leadership role of the business editor.

Mr. Glassford: Right.

Senator Peitten: You state that many editors have played major parts in promoting industry actions that ignore short-term, advantages in favour of the public interest. Which do you consider to be the business editor's primary responsibility if the public's interest and the special interest of the industry conflict? In some particular magazine for instance?

Mr. Glassford: Well, I think we have a fairly long history of standing for the national interest. This is, of course, aside from the special interest of the industry. Primarily because I think the business press editor takes a longer term view and possibly a little broader scope than necessarily the industry he serves, as in the case of pollution. My readers—I happen to be serving an industrial audience—are interested in profits. They are interested in petroleum pollution only as far as they have to be and if it affects their profits. I have been waging very strong campaigns, as have most of the other publications over the years, urging them to increase their

activities in this area. This is despite the fact that in the opinion of the industry this is not necessarily desirable or essential at this point

Senator Peitten: Have you ever had a problem with, say, one of your advertisers who happens to be in the same field? He is advertising and you disagree with this. Have you ever had any pressure brought to bear on you by the people who are paying for these ads?

Mr. Glassford: Well, I think every editor here has had a case of this nature.

Senator Peitten: The sort of thing; "We don't want you to print this"?

Mr. Glassford: Yes.

Senator Peitten: So it has happened?

Mr. Glassford: Yes.

The Chairman: Do you succumb?

Mr. Glassford: No.

The Chairman: Never?

Mr. Glassford: No, I can't think of a case where I have succumbed. I have always been given full management backing.

The Chairman: What would B.P.E.A. do if it found out a member had succumbed to this kind of pressure?

Mr. Glassford: Under the constitution we have two conflicting items and I can't think of a way that B.P.E.A. would act in this area.

The Chairman: What about the reverse kind of pressure? What do you do when you find an editor who has written an article at the request of a space salesman because an advertiser has purchased several pages?

Mr. Glassford: I don't know. I have never had that happen to me.

The Chairman: That doesn't happen either.

Mr. Glassford: No, not in my case. I don't know if any of the other members—

Mr. Barry Kay, Chairman, Toronto Chapter, Business Press Editors' Association and Editor, Canadian Paint and Finishing: I think it is fair to say that the sales staffs of certainly the larger houses are now sophisticated to the point where they not only would not do it, they do not want to do it. One of their main selling points is editorial integrity and editorial leadership which is obvious to the sales staff, and I would hope, to the large

majority of the advertisers. We cannot maintain a position within our field if we succumb to blandishments from advertisers.

Mr. Glassford: I have brought along our editorial manual which points out that all editorial features should be planned expressly for the reader. No editor should be asked to provide editorial coverage for any specific product in any specific issue on a basis in which to obtain advertising. There is no place in our editorial columns for material that is intended to specifically serve advertising purposes, unless it fully serves the readers' purpose.

The Chairman: Mr. Glassford, I don't mean to be cynical, but a long, long time ago I worked for a weekly newspaper which has similar standards but they were seldom adhered to. I am particularly interested in the comment of Mr. Kay because I think it would seem to indicate that this is a change in the right direction. That is perhaps an unfair thing for me to say because I am implying that it always wasn't this way, but I can't help wondering if it wasn't always this way, and particularly in smaller publications. However, you don't have to comment on that—you have answered the question.

Senator Pettin: In section 19 you discuss the role of B.P.E.A. in developing a distinctive Canadian identity in business and industry. Now, does the Association take a position on the increasing U.S. ownership in Canadian industries?

Mr. Glassford: No, I don't think so. I don't think this has ever been discussed.

Senator Pettin: Don't you think you could?

Mr. Glassford: Again, this is one of the areas that I would not like to see B.P.E.A. tell its members what to think.

Senator Pettin: Well, can I read this section to you?

Mr. Glassford: Yes.

Senator Pettin: It reads as follows:

"Through this type of editorial leadership, the Canadian Business Press and more particularly, members of Business Press Editors' Association, play a major role in developing a distinctive Canadian identity in business and industry, and assist in the development of Canada as a nation."

Now, when you say that should you not be doing...

Mr. Glassford: Well, I think the point I am making here really is if we did adopt an Association policy on this, really it would get down to making a judgment on individual situations.

The Chairman: Well, you have adopted a policy. Senator Pettin read it. How do you implement that policy?

Mr. Glassford: Well, basically what I am saying is that the members of the Association, not B.P.E.A. are doing it because I feel that most of our members are very staunch Canadians. They are most interested in seeing the development of Canada and a stronger Canada.

The Chairman: How do they do this?

Mr. Glassford: Through their publications.

The Chairman: Could you give us some examples—specific examples?

Mr. Glassford: Well, referring to Mr. Veronneau's editorial, for example. In his case—possibly you might explain, Gilles?

The Chairman: Well, that was on public tenders in Quebec...

Mr. Glassford: Yes, but the prime purpose and the reasoning behind it was the development of private contracting capabilities in the province that would be available for export and in other areas. Do I interpret you correctly, Gilles?

Mr. Chairman: Would you care to comment on that, Mr. Veronneau?

Mr. Gilles Veronneau, Immediate Past President, Business Press Editors' Association and Editor, Génie-Construction: Well, this particular editorial applied to a regional problem, but I don't know to what extent you can relate it to the point the Senator brought up. I would say that, at large, most of the trade and paper editors get involved in the particular industry or industries that their magazine serves sufficiently to be able to crusade or promote within that particular industry a Canadian identity for a national publication or, in our case, a Quebec identity.

The Chairman: What if Mr. Glassford, as an editor, has a publication which is in an

industry which is controlled by American interests. How then does he promote the Canadian identity?

Mr. George Keefe, First Vice-President, Business Press Editors' Association and Editor, Canadian Industrial Equipment News: I don't necessarily say he does. In this case, in paragraph 19, he says that members of the Association have historically been very strong advocates of policy and programs which would achieve this end.

Mr. Kay: I am an editor in an industry that is overwhelmingly controlled by the United States.

The Chairman: What was that again?

Mr. Kay: *Canadian Paint and Finishing.* We cover the Industrial coating industry and 12 of our 14 Canadian companies are American subsidiaries. My stock and trade has been flag raising as it has been for a great many other editors. I have worked for Maclean-Hunter Publications, none of which had competition in Canada, but all of which had fields varying in degree promoted by American magazines. American magazines sometimes gave attention to the Canadian industry, but very little in terms of what was going on and what was needed in the Canadian industry. We have devoted ourselves entirely to the Canadian industry and going to the stage where some stories emanate from the States and we make a supreme effort to apply them to Canadian situations. One case in particular was that paint and industrial research has always been funded by the Paint Research Institute, which is an American Institute with some Canadian association society members. However, the Canadian associations were providing a much larger percentage of support to this institute than the moneys coming back into Canada. We campaigned vigorously, and I might say very unpopularity as far as the Americans were concerned, to have a research program or a branch of the Research Institute set up in Canada and we were successful. It is very much a long term proposition, but it has had immediate advantages with the sponsorship of at least one more university program in coatings research, and another one coming up. This may or may not but probably not, have been sponsored by the institute had not the Canadian industry and ourselves brought the matters to the fore and made a fuss about it.

It is simply a matter that we act as Canadians, we devote ourselves to the Canadian

scene, we try to establish Canadian identity right across the industry. We have found feedback from the readers that it has been very, very important to them, and this is at the highest levels, even at the top management of the American subsidiaries. They have been very, very frustrated by having to do things the American way and having no Canadian identity. We have had letters and telephone calls and personnel meetings to get this clear.

The Chairman: Thank you.
Senator Petten?

Senator Petten: The Toronto Public Library surveys summarized in section 22 and section 23 indicate that of 95 federal Government publications which were studied, they were consulted very little by the professional people they were intended to serve. Would you like to name some of these Government publications?

Mr. Glassford: Well, I don't have that information with me. I included the information it was given to me by the library.

Senator Petten: I was going to ask are they doing a poor job and what was wrong with them? However, there is not much point asking if you don't have the information.

The Chairman: You don't know any of them at all, Mr. Glassford?

Mr. Glassford: No, I don't.

The Chairman: Do any of you know any of them?

Mr. Glassford: Well, this is just information that was sent to me.

The Chairman: Well, I imagine we can get that information.

Mr. Fortier.

[Translation]

Mr. Fortier: Mr. Chairman, I should like to ask Mr. Verronneau a question. I shall wait to see if simultaneous translation is being provided.

You are a Past President of the Business Press Editors Association, are you not?

Mr. Gilles Verronneau, Editor of *Général Construction*: Yes, that is correct.

Mr. Fortier: Do trade publications—except the expression, I realize that it is not quite exact—written in French reach a local audience other than that of the Province of Quebec?

Mr. Verronneau: Can you explain a little more fully what you mean by "a locality other..."

Mr. Fortier: I should have begun perhaps by putting the question to you in this way: as an editor, would it be correct to say that the magazines which your association represents have a nation-wide circulation?

Mr. Verronneau: No, the majority or all of these magazines have what may be called a regional circulation in the sense that they cover the French Canadian market, principally Quebec.

Mr. Fortier: I did not mean just the French Canadian or Quebec market. The English language magazines have a nation-wide market, is that not so?

Mr. Verronneau: Yes, that is correct.

Mr. Fortier: Of the English magazines, are there some which have a purely regional market?

Mr. Verronneau: I believe so, yes. To my knowledge, there are one or two English language publications edited in the west which are limited to the market in Western Canada. There is, for example, the *Journal of Commerce* published in B.C., and another publication which have purely regional circulation.

Mr. Fortier: On the other hand, the French language magazines circulate only in the province of Quebec?

Mr. Verronneau: For all practical purposes, yes. There may be some exceptions where some magazines do circulate in the Maritimes or in the West to a certain extent but in any event it is insignificant.

Mr. Fortier: I noticed that there were some magazines published in French in Quebec which had English-language counterparts.

Mr. Verronneau: Yes.

Mr. Fortier: In an organization such as Southam's or Maclean's, is there a certain amount of piracy or is there perhaps co-operation, let us say, between the two magazines?

Mr. Verronneau: Piracy, no; co-operation, certainly to some extent. For all practical purposes, each publication has its own team, its own editorial staff. Now this does not exclude the possibility of exchanging articles or information between magazines, so-called counterparts, insofar as the editor involved

deems the material or article published in its counterpart to be of interest to his readers. This is done, I would not say regularly, but it does happen.

Mr. Fortier: You are part of the Southam group; is such co-operation within the group recognized and even encouraged? If, for *Génie-Construction*, you want to borrow an article which was published in the English-language counterpart do you have to request permission? What procedure do you follow?

Mr. Verronneau: As a general rule, this practice is left to the initiative of the editors who arrive at an agreement among themselves. I believe that it is simply a matter of courtesy for the editor to request permission from the editor of the magazine concerned to borrow, reproduce or translate the article he wishes to have. This is the procedure regularly followed.

Mr. Fortier: If you do so, do you pay a fee to the counterpart?

Mr. Verronneau: No, because if for example an article is written by a member of the permanent staff, as a general rule, publishing firms have a copyright on everything published in their publications. The material then becomes the property of the firm.

Mr. Fortier: This is one of the advantages of the group, obviously.

Mr. Verronneau: On the other hand, it may happen that a magazine purchased from an outsider. Someone outside the publishing firm an article that an editor of another magazine wants to use. Then an agreement may be made with the author of the article whereby he will receive some remuneration due to the fact that, rather than being published in a single magazine, his article will be used in more than one magazine. This often depends on the author. This type of consideration may be demanded.

Mr. Fortier: Earlier this afternoon we were told of surveys which had been conducted among the readers of various magazines. Has it been your experience, Mr. Verronneau, that among French Canadian readers, the business magazine has not received the same 100 per cent credibility which was mentioned this afternoon?

Mr. Verronneau: It is fairly difficult to give a definite answer to this question. To get around it, let me say that this varies from one

industry to the next because it depends, to a certain extent, on the quality of the reader. In my case, my magazine is addressed to engineers, contractors, people usually with a fairly high level of education. The credibility factor plays a very important role. We have had several experiences in this line. For example, in one case, statements made in the newspapers were not taken seriously. But this would not have been so had they been reproduced in a magazine such as ours, whether ours in particular or a similar English-language magazine. I would say that, generally, the same applies for the other sectors of industry. To use a cliché, the magazine is often considered the Bible of the industry and it is continually referred to for information on the latest developments in particular fields.

Mr. Fortier: Have you conducted surveys on this aspect of credibility among your readers?

Mr. Verronneau: Not as such, no. We obtain this certainty from other types of surveys among readers which are conducted at various times but at least annually. In addition, there are the personal contacts the editorial team has in the course of its work with people from industry, contractors, engineers, etc.

Mr. Fortier: As a general rule—I am returning here to a question I raised somewhat earlier—does the editor or the French Canadian businessman read (I shall not say subscribe to, obviously) a business magazine on the same basis as the English Canadian reader?

Mr. Verronneau: You should see the telephone calls and letters we receive when we make a mistake. He certainly does read it!

Mr. Fortier: And are there proportionally as many French Canadians from industry who read a business magazine as English Canadians?

Mr. Verronneau: Yes. First of all, let me state that he reads everything. There are just as many English-language business magazines as French-language business magazines.

Mr. Fortier: Very well.

Mr. Verronneau: Inevitably he is inundated and receives magazines from everywhere, both from the United States and from Europe. He is also well served by strictly French publications.

Mr. Fortier: From the standpoint of advertising in Quebec, who do you consider to be your competitors?

Mr. Verronneau: Here again it depends.

Mr. Fortier: Are they your English Canadian counterparts?

Mr. Verronneau: No, it would be rather paradoxical if such a situation developed. There are some industries in which you will have more than one French-language magazine. This is where you run into direct competition. In other industries you have only a single French-language magazine which is in competition with English-language magazines, whether American or Canadian. At this point you encounter competition on all sides.

Mr. Fortier: Have you worked for another magazine in the Southam group?

Mr. Verronneau: No, I have been working with this magazine for eight years.

[Text]

The Chairman: Senator Petten?

Senator Petten: Section 32 says that the business press in Canada is intensely competitive. Is this true within the major publishing houses such as Maclean-Hunter and Southam? Do these magazines compete with each other?

Mr. Glassford: Both within the corporation and without.

Senator Petten: Well, how about the advertising?

Mr. Glassford: That is where they are intensely competitive.

Senator Petten: Well, let us take one. How about Maclean-Hunter? If you are advertising it is it solicited by one group?

Mr. Glassford: No, they are solicited by individual salesmen.

Senator Petten: Salesmen for individual magazines?

Mr. Glassford: Yes.

Senator Petten: This is a question I should have asked a little earlier. If two industries have different and conflicting interests, do the editors in the magazines in these fields dispute editorially with each other?

Mr. Glassford: Yes, very much so.

The Chairman: Could you give us some examples of that?

Mr. Verronneau: I could give you an example that happened a few years back. It didn't involve any of our publications but, as a matter of fact, involved a case where the editor of a Toronto publication—a Maclean-Hunter publication—took a stand on an issue pertaining to the Quebec situation. The editor of the French publication disputed this stand and you could say you had two publications coming from the same house, the individual editors could take different stands, or were free to do so.

Senator Pettit: Well, this might have happened in any event, but let us take Ontario for instance where both magazines would be in the same province and there was conflict between the two industries in the one province. Would they then take different viewpoints?

Mr. Keefe: Well, I have never heard of any encouragement to adopt a uniform or editorial stand within the company.

The Chairman: Well, before we leave that, it has been said at these hearings in another context that you wouldn't need a directive if you would sort of instinctively know, by process of osmosis, that a written directive is not necessary. You would not have to conflict with the editorial policy of a sister publication, and you presumably think that is wrong?

Mr. Glassford: Very much so.

The Chairman: Would you give us an example?

Mr. Glassford: I can't think of one offhand, as a matter of fact, where this has occurred, but certainly I have had major wars with my publications outside the house, but it is not so happens never with a publication inside the house.

Senator Pettit: In section 52—it says that the "overflow circulation from U.S. business publications into Canada is a problem to the Canadian business press." In sections 53 and 54 it would indicate that you are not particularly worried about it. The gentlemen that preceded you here appeared to be very worried about it. Do you think that there should be any limitation on this overflow?

Mr. Glassford: My personal feeling is that I agree very much with the CBP stand. I don't

think it is particularly desirable that we should subsidize American publications coming in by means of our postal rate.

Senator Pettit: But your brief doesn't say that though?

Mr. Glassford: No.

Senator Pettit: Paragraphs 53 and 54 gives an indication of that, that is why I asked the question. Perhaps one of your other colleagues would like to comment on that?

Mr. Kay: I think perhaps in the brief we are concentrating on editorial ownership and editorially I don't think the Canadian publications take a back seat or worry particularly about American competition. In our brief, as far as the business side of the publications is concerned, we don't particularly worry.

The Chairman: What is the difference between business journalism and journalism?

Mr. Glassford: It is very differently analyzed.

The Chairman: And can you explain in what respect?

Mr. Glassford: It is much more technical, it is much more involved with economics and financing than you would find in a normal journalism course. Actually, I think it is significant possibly—I have noticed a trend in our recruitment in the last few years—that there seems to be a move towards broader general arts, et cetera, rather than general journalism because of the need for a broader background.

The Chairman: Mr. Glassford, surely the technical knowledge which is needed by the editor would be quite different for a publication dealing with building supplies than for a publication dealing with civic administration wouldn't it?

Mr. Glassford: Very much so.

The Chairman: Would you cover both of these things in this course?

Mr. Glassford: Basically what we would be talking about would be the methods of handling, for example, the technical information needed in journalism.

Mr. Kay: Magazine journalism.

The Chairman: Are you gentlemen second-class citizens within the industry?

Mr. Glassford: Not at all. At least, I don't think so.

The Chairman: Do you make as much money as the advertising space people?

Mr. Glassford: Well, I think the distinction made earlier is reasonably accurate.

The Chairman: And what do you mean by reasonably accurate?

Mr. Glassford: Well, as a matter of fact, I feel quite certain that I am making more than a good many publication managers.

The Chairman: Yes, but do you have a very big publication?

Mr. Glassford: Yes.

The Chairman: Do you make more than the advertising people on your publication?

Mr. Glassford: I make more than the advertising representatives.

The Chairman: Do you make more than the advertising manager?

Mr. Glassford: No.

The Chairman: Does that trouble you at all?

Mr. Glassford: Not one bit.

The Chairman: To your knowledge—and you may not be able to answer it—is this true in the daily newspaper industry?

Mr. Glassford: Well, I really don't know how to answer that.

The Chairman: That is that most daily newspaper advertising managers would make more money than the editors?

Mr. Glassford: Well, not having a journalism background...

The Chairman: Would any of the rest of you care to comment on that?

Mr. Verronneau: No.

The Chairman: You don't, in any event, feel you are second-class citizens?

Mr. Glassford: No.

The Chairman: Does it trouble you that your appointment very often is at the behest of an advertising person? Now, don't misunderstand me. It is my understanding...

Mr. Verronneau: I would say that as a rule the appointments are made on the basis of

the competence of the individual involved. Whether the people appraising this competence have a sales background or editorial background I think is irrelevant.

The Chairman: Do you not think people with a journalistic background are better people to judge journalistic competence than people with an advertising sales background?

Mr. Verronneau: Well, as a rule this can be said, definitely. There are, however, a good number of people with editorial background in their various levels of management in the major publishing houses who are able to assess these candidates.

Mr. Glassford: I think there is also a false premise here really, because I just hired an assistant last week and the decision as to who was hired was strictly mine.

The Chairman: But that assistant to become an editor will presumably have to meet the approval of some advertising person?

Mr. Glassford: Yes.

Mr. Kay: Well, not necessarily. The company structure is such that we have the editorial and advertising operations working together in each publication under a manager. Now often this manager will come through the advertising ranks and will, in fact, handle part of the advertising duties. In other cases, too, there will be a manager present, who has come up through the editorial ranks and who has handled the duties of editor and manager.

The Chairman: Well, do you know, Mr. Kay—you may not be able to answer this of course—do more managers of business publications come through the advertising side or through the editorial side?

Mr. Kay: I would think the advertising side of it.

Mr. Glassford: That would depend on the house.

Mr. Keefe: I would say that more people would come through the editorial side when there are less people on the editorial side who were less journalistic and tied to their magazine than they are at the present time. I think most editors are basically journalists and prefer to remain journalists rather than move into the additional area of sales.

The Chairman: Well, I was going to ask that very question. Do editors ever move into sales and you have given me the answer.

Mr. Glassford: Well, there are a number of cases.

Mr. Keefe: Well, at our particular house I can think of two cases within the last year of an editorial man becoming an editorial director and publisher, one of our flagship publications, and more recently an editor becoming editorial director and manager.

Mr. Glassford: As a matter of fact, I think we have a prime example in the audience here today with Mr. Daly who is the Past President of the B.P.E.A. and I believe is the Chairman of the Board of Southam's.

The Chairman: I note in section 25 you did a survey of your membership.

Mr. Glassford: Right.

The Chairman: You say the average age of the editors is between 30 and 40.

Mr. Glassford: Right.

The Chairman: Where do old business press editors go?

Mr. Glassford: They just miss their deadline. Well, they either stay in their own fields or go out into other fields.

The Chairman: Well, but you fellows are all within the average age of the group here, I am sure. Do they go into public relations?

Mr. Glassford: Yes, that would be a very sizable drain, I would say.

The Chairman: Well, do they go into industry?

Mr. Glassford: Right.

The Chairman: Do they ever go into the mass media—to the consumer mass media if I can call it that.

Mr. Glassford: Very seldom.

The Chairman: Why?

Mr. Glassford: Well, that is because it is a more specialized field.

The Chairman: Why are you people all business editors instead of editors or reporters on daily newspapers? That is a pretty tough question, I appreciate, but I would like your answer.

Mr. Kay: Most of us have been.

The Chairman: You have?

Mr. Kay: Yes.

The Chairman: How many of you work or have worked on daily newspapers?

Mr. Kay: I have.

The Chairman: Well, most of you have but not all.

Mr. Kay: I did work on a newspaper until about four or four and a half years ago.

The Chairman: And why did you leave, Mr. Kay?

Mr. Kay: Why did I leave daily newspapers or why do I stay in the business publications?

The Chairman: Well, both, it is the same thing.

Mr. Kay: Well, it's not really.

The Chairman: Well, you answer them both.

Mr. Kay: The reason I left newspapers—there are many reasons. I was at the *Globe and Mail* —

The Chairman: Is that one of the reasons!

Mr. Kay: The reason I left the *Globe and Mail* was because I felt that after having learned as much as I could about the newspaper business I wanted to leave and I wanted to get into another field. I was also looking for an opportunity for advancement. I was looking for opportunities for advancement beyond what I could have had at the *Globe and Mail* and I received this in business publications. A few people did go back to newspapers, but I think the reason why so many people didn't go back was because business publications pay higher than newspapers.

The Chairman: Well, that is the next question I was coming to. When you were at the *Globe and Mail* you belonged to the Guild I imagine?

Mr. Kay: That is right.

The Chairman: And you don't belong to the Guild now?

Mr. Kay: No.

The Chairman: Has the Guild attempted to organize business press editors?

Mr. Kay: I don't think the Guild would have any major support from the business press editors. The ones that I have spoken to concerning unions feel that they don't want

anything to do with it. In the business press you write your own ticket on the basis of your merit. If you are reasonably good, it is a reasonably good ticket you can write. With the Guild you don't. I remember when I was with the *Globe and Mail*—a large percentage of the staff there were on union rates—and as a standard practice if you did get a raise above union rates you could usually expect to miss the next raise. In other words, you didn't necessarily receive a raise because you got above grade 1, you wouldn't necessarily stay above grade 1. The *Globe and Mail* was a very unusual circumstance and is probably a bad example because the *Globe and Mail* is populated by true professional journalists. They are all good and perhaps for this reason they are all on the same rate, I don't know. What I am trying to say is that when you are on a Guild paper you don't necessarily succeed on merit. You just sort of go along with the Guild, but this seems to be the tendency to me.

I have worked with two different newspapers and this always has been the case.

The Chairman: You belonged to two different unions?

Mr. Kay: Well, I belonged to the Guild and the National Union of Journalists in Britain. I spent some time over there. It was the same there. In business publications I found that you could proceed on the basis of your merit.

The Chairman: Well, coming back to the other question I asked you: Has the Guild attempted to organize business press editors?

Mr. Kay: I just couldn't say.

The Chairman: Presumably it would work company by company, would it?

Mr. Glassford: I think there were one or two attempts quite a number of years ago. They very rapidly ran into exactly what Mr. Kay was just saying, that is, that the editors were just not interested in joining the union.

Mr. Fortier: I think the Committee would be interested in hearing from Mr. Glassford on the question which was put earlier this afternoon as to what would be to the editor the ideal ratio of news to advertising in your own publication?

Mr. Glassford: Well, answering as an editor I would say 100 per cent. Actually, I think this is a matter that depends so much on both these fields, the audience being served and

the editorial approach in the magazine. You cannot draw a general view.

Mr. Fortier: Would this vary from audience to audience?

Mr. Glassford: Oh, very much so. In my case, I happen to have a fairly large publication, but I also maintain fairly high editorial to advertising ratio. I think it is running 45 to 50 per cent which is possibly a little above average for the magazines generally.

Mr. Fortier: Do you as an editor have anything at all to say to the placing in your magazine of a particular advertisement?

Mr. Glassford: Nothing other than the veto.

Mr. Fortier: Have you ever exercised your veto?

Mr. Glassford: Yes.

Mr. Fortier: For what reason?

Mr. Glassford: Well, if there is an ad that is related to the topic that would be placed adjacent to it, for example, so that there looks like an obvious tie-in I am going to ask that that be removed. I have never run into a case where there would be any other particular reason.

Mr. Kay: There is also a matter of graphics involved.

Mr. Glassford: Yes, for example, when you are using colour—you don't want to get an ad of the same colour facing the editorial colour.

Mr. Fortier: But you would generally speaking be asked for your opinion, or at least be expected to express an opinion?

Mr. Allan Hewittson, Director, Business Press Editors' Association and Managing Editor, Canadian Consulting Engineer: If I could answer that—I go over the publication's advertisements before they are set in place looking for many things. I regard them as an essential part of the publication, so you don't run an advertisement for a pup beside an article for a pup.

Mr. Fortier: Well, on that point would the editor tell the advertising manager long before going to press about the subjects which he will be editorializing about in the next publication?

Mr. Hewittson: Well, this may apply to others, but in my case it doesn't. I am new parts, new materials, new equipment; it doesn't enter into our operations.

Mr. Fortier: Could we hear from Mr. Glassford?

Mr. Glassford: It varies very, very much from publication to publication. As an example, I will, a year in advance, highlight the feature reports that I am doing. As it happens, I run 12 major reports of one kind or another during the year. They will be planned a year in advance and then published. As far as the detailed editorial content, no.

Mr. Kay: I send a memo to my advertising department about three weeks in advance, or as soon as I have my feature editorial thought out enough.

Mr. Fortier: Well, does this work in reverse also?

Mr. Kay: You mean do they tell me what advertising they have?

Mr. Fortier: Yes.

Mr. Kay: I am aware of what ads are in and what ads are not in.

Mr. Fortier: But it in no way affects your decision to publish a story?

Mr. Kay: No. As I say, I memo them to tell them what I am doing and, as I say, I may know about the ads but this is a matter of business interest. This has nothing to do with my editorial approach.

The Chairman: Senator Sparrow, do you have a question?

Senator Sparrow: Well, it is a new subject.

Mr. Fortier: Well, maybe just one last question.

The Chairman: Fine, go ahead, Mr. Fortier.

Mr. Fortier: On this question of advertising and editorial content. Have you ever been informed of instances where advertisers from particular magazine have complained to the publisher because of editorial content?

Mr. Glassford: Yes.

Mr. Kay: Often.

Mr. Glassford: Everyone here has.

Mr. Fortier: Are those letters, if they are submitted to you in the form of letters, to the editor, are they published?

Mr. Glassford: If they are submitted in that form, yes.

Mr. Fortier: Do you ever edit letters to the editors?

Mr. Glassford: I can't honestly answer that because I haven't had one of that nature at all.

Mr. Kay: Well, you put it into good English if they are making grammatical errors, or something.

Mr. Fortier: Well, would you refuse to publish a letter to the editor?

Mr. Glassford: I certainly wouldn't.

The Chairman: Would any of you here refuse to publish a letter to the editor?

Mr. Kay: No.

Mr. Glassford: No.

Mr. Verronneau: No.

The Chairman: Senator Sparrow?

Senator Sparrow: How do you determine then what is a letter to the editor?

Mr. Glassford: If a letter presumably comes directed to the editor complaining about a specific item that appeared in the publication or a comment on it, that I would think would be a letter to the editor. Actually, I get thousands of letters a year really, but most of them are asking for reprints and this sort of thing. Talking in this term, they would have to be referring to a specific piece of material that appeared in the publication, or a correction, or something along this line.

Mr. Fortier: Well, we have to keep our questions very general because you are here as an Association. Would it be good generalistic practice to promote editorially one product as compared to another product in the same line?

Mr. Glassford: Some different publications do exactly this. Take for example in some semi-consumer ones, but actually I haven't had any experience in that line.

Mr. Verronneau: It depends on the industry. Some readers would like to have the publication they received in the field give them this kind of comparative article where the editor will take two or three machines or pieces of equipment in a given line and make a comparison analysis.

Mr. Fortier: Like *Consumers' Report* magazine?

Mr. Verronneau: Yes.

Mr. Fortier: Do you do that in your publication.

Mr. Verronneau: I don't know if any of the other publications do it. I know we don't do it for the simple reason that I am not sure we could do it accurately and adequately because you have to know the product very thoroughly. I know it is done in some publications in England. In Europe it is also very popular. We see that very often in different magazines.

Mr. Fortier: Well, you claim in your brief that trade publications must direct the development of industry, so with that thought in mind would you seek to test different machines one against the other and then editorialize on it, not as a consumer magazine but as a business magazine?

Mr. Verronneau: Well, if you can find someone competent enough to do it.

Mr. Fortier: Well, would you do it then?

Mr. Verronneau: Sure.

Mr. Fortier: Would that be good business press journalism?

Mr. Glassford: Yes.

Mr. Keefe: The editing process involves this very thing. You eliminate the pump item from manufacturer X and collect the one from manufacturer Y because it appears on the basis of your experience and knowledge that it is a better product. We don't have the facilities to go out and test these two different pumps, but we make judgements.

The Chairman: May I say to the Senators and to Mr. Fortier that I would be most anxious to adjourn in five minutes at six o'clock. I have one question which I think is rather important and which hasn't been put and I would like to put it actually to you, Mrs. Sanders.

I noted with some interest in your biography not only that you are a graduate of the University of Western Ontario in journalism, but also that on behalf of the B.P.E.A. you are currently conducting research into journalism courses being offered at Canadian universities. Now, it would perhaps be unfair—the question I would like to ask you is could we have the benefits of the information you find out? That is perhaps an unfair question or request, but I think the Committee would benefit from anything you could say

now. We would also benefit from anything you would care to send us. Could you comment on this?

Mrs. Doreen Sanders, Director, Business Press Editors' Association and Editor, the Business Quarterly, School of Business Administration, University of Western Ontario: I would be most interested in sending you our final findings.

The Chairman: When will that be?

Mrs. Sanders: The end of April.

The Chairman: Well, that will be useful to us.

Mrs. Sanders: I have been to Carleton University and to Western and they have suggested that we might be interested as an association to offer to pay to honour journalism students, their last year's tuition. They would then go into business options. On the other hand, we could offer to honour business students their tuition for a one year diploma course in journalism.

The Chairman: Is there a scarcity of people coming into the business press?

Mrs. Sanders: I think that all these gentlemen would say yes.

The Chairman: It is a problem is it?

Mrs. Sanders: Yes.

The Chairman: Why?

Mrs. Sanders: I think that most young men that take an M.B.A., for instance, or go into business, perhaps never think of becoming journalists which is surprising to me. Then for journalists to take a business course on top of journalism is...

The Chairman: You said most young men. Are there many women business editors?

Mrs. Sanders: Yes, there are several.

Mr. Chairman: Just several?

Mrs. Sanders: Yes.

The Chairman: Just that few.

Mrs. Sanders: Yes.

The Chairman: Why would there be so few?

Mrs. Sanders: Well, it is certainly an open field for women.

The Chairman: I would think so, yes.

Mrs. Sanders: Certainly I have all kinds of encouragement from men to go on in this field, but one has to have the advantage I guess to be able to go into a business course or have some knowledge of business.

The Chairman: Yet presumably all business editors aren't graduates of journalism courses or of business schools.

Mrs. Sanders: No.

The Chairman: Mr. Verronneau, were you going to say anything?

Mr. Verronneau: Well, one of the reasons for that is pertinent to the nature of some of the fields covered by some of the magazines. You would hardly see a woman editor on a construction magazine or in the Forest Industry publications, or a construction project magazine, or something like that.

The Chairman: But wouldn't that work both ways?

Mr. Verronneau: To a certain degree. There are fields which are more suited for women than men. There are a lot of women working as associate editors on various publications but then you just don't think of a woman going on top of a 300-foot tower to write a story about it, or something.

The Chairman: Well, on that note, I am afraid I have to terminate this session. Before going so...

Mr. Kay: Well, may I just add one thing.

The Chairman: Yes, certainly.

Mr. Kay: When we were discussing reasons for staying in the field of journalism there is also the satisfaction content too. Money is probably the main reason but there is a great deal more satisfaction to be evolved from the job personally. Perhaps it is running your own show, perhaps it is having the time to do greater in-depth research on your article, so you then do a better job. You would find this in business publications and not in newspapers.

The Chairman: Mr. Glassford, back to my final question. If the information which Mrs. Sanders is able to determine could be made available we would be most grateful.

My final request perhaps I could combine with an expression of appreciation, but perhaps I will more fully express my appreciation tomorrow after we have had some of the companies here which will really, I think,

flesh out the study we are trying to do on the business press. I said earlier today and I do now to you and to the other people here that we are interested in the business press not really as an entity unto itself but rather as part of the overall media spectrum. We have done part of the overall media spectrum. We have done some considerable background research on the business press—I know you are familiar with it and if not the information, the approach. So I can only say that neither the research phase of the study nor the hearing phase is an end unto itself. Each complements the other. This has been an invaluable session to us.

You are a particularly able group of people when it comes to expressing yourself in writing, and I would only say that if you feel, in view of the things you have heard here today and the different things you may hear tomorrow, that if there is additional information or comment which you would usefully like to make about the business press, we would be delighted to hear from you.

There is one other area, which is so very general and which I would have very much liked to have gone into, but we all have to rest up for Mr. Kierans tonight. That area is the mass media generally. I think you would have some very interesting views which you might think about and we would be delighted to have additional comments from you in that area.

Thank you very much.

The Committee adjourned at 6.00 p.m.

The Committee resumed at 8.00 p.m.

The Chairman: Honourable Senators, I think we will call this session to order, following that rather dramatic entrance, to say the least.

I think my introduction of the Minister is almost superfluous, and in any event will be very brief.

The Minister of Communications has had, I think, by any standards, the most remarkable political career, a political career which, I would suggest, has been built on equal parts of charm, wit, integrity, and perhaps more than any of these a fearless determination.

As a matter of fact, Mr. Minister, I think one mark of your success is that there is no other name that has been mentioned more frequently before this Committee since its inception than your own. I understand that you have a statement which you would like to read. Following that, Mr. Minister, the Sena-

tors would like to put questions to you on the contents of your remarks, and I am sure you will be not surprised and delighted to know that we may have questions which are not covered in your remarks.

The Honourable Eric Kierans, Minister of Communications: I have no doubt at all.

The Chairman: Mr. Kierans.

Mr. Kierans: Thank you very much, Mr. Chairman. I may say that I have been waiting for this day. On occasion I have run into my good friend, your Chairman, and Yves Fortier, your Counsel, and have let them know that we were avid and eager indeed to reply to what some of the people politely call "misconceptions" that have been placed before you, and to attempt to really portray the position of the Post Office; therefore, we have worked quite carefully.

All of the figures that we are going to give you today are the results of some very intensive analysis. We think that they are up-to-date, and that they can be verified and can stand up to analysis.

Mr. Chairman, I have followed, with great interest, the proceedings of your Committee. They have already proved one thing and that is the truth of the old adage that the best way to get your name in the newspapers is to talk about the newspapers. The Press has given this Committee about the Press more publicity than all the other committees, of either House, added together.

About a year ago, I discovered that there was another easy way to get your name in the newspapers. It was to increase the postal rates of the top newspapers. I doubt that I received a dozen complaints from individuals—practically none at all from the business community, but I did receive across my desk hundreds of articles, editorials and clippings, and I must add, Mr. Chairman, that they all spelled my name right and sometimes even in capitals.

I may also say that as I suggested to you, there was a startling reversion of editorial policy in a one-month period around September and October of 1968. I don't know whether it's worthwhile your Committee investigating it, but as the Honourable Senators know, the Minister has the right to change on his own authority third and fourth class rates, but has had to go to Parliament for any changes in first-class and statutory second-class rates; so early in September of 1968, about two months after I was named Minister

or Post-Master General at that time, we decided that we were going to try to reduce the deficit of the Post Office, and of course the only place where I could start was with third and fourth class rates, and around about September the 13th, 14th at a press conference, I announced that we were going to increase these considerably, and that it was the intention of the Post Office to do everything possible to reduce its dependence on general government revenues; that is, by reducing its deficit.

Well, the acclaim in the editorials across the country were universal. You know, the old clichés that "Finally we have got a businessman in the Post Office", and so on, and "This is all good. It's going to reduce the deficit; therefore reduce taxes", et cetera, et cetera.

About a month later, after the Cabinet had approved—I presented a bill in the House which affected first and second-class rates and the whole editorial comment across the country with some notable exceptions—the Montreal Star—I guess they weren't affected, that much, and the 'Toronto Star'—simply reversed themselves. I mean, you know, the entire attitude was clearly, "Who? me?", you know, when it affected them.

All of this ink was being poured out over the fact that newspapers and periodicals were being asked to pay something closer to the postage costs. Not their actual postage costs—magazines and newspapers today pay about one-third of the cost to the Post Office of handling second-class mail—but a higher percentage of the costs than they have had to pay before.

Among one of the many misrepresentation or misconceptions that have been spread about second-class mail rates, was the one repeated to this Committee by a good friend of mine, incidentally, Tom Sloan. He declared that the government should assist the publishing industry, and declared that my plan to make the Post Office pay its way would ruin Canada's publishing industry.

Now, Mr. Sloan's sentiments are admirable but they are out of date. The Government is already helping the publishing industry by charging only one-third of the true mail cost. Also, I have never said that the Post Office should pay its way on all of its operations. On the contrary, I have said many times that the press in Canada needs indirect assistance from the Government, and that that assistance should and must continue.

What I have also said, however, is that the existing system is totally unsatisfactory; that is, mixing these subsidies in postal rates. At present, very few Canadians have any idea that their taxes are being used to assist the Canadian publishing industry, and almost none have any idea of the amount involved. Parliament, for practical purposes, has no say in deciding the amount of the assistance. The deficit just goes up and up and up. The publishing industry has no involvement in determining how the available assistance can be most effectively and equitably divided.

This system is in complete contrast to the one which will go into effect in the United States once the U.S. Postal Authority becomes operational. There, the Postal Authority, which will be the equivalent to a Crown Corporation in Canada, will charge its full costs for second, as for all other classes of mail. Each year, however, Congress will vote a sum of money to be used to reduce the second-class charges. In other words, the Postal Authority will do its job, which is to run the mails; and Congress will do its job, which is to decide who, among the many claimants for public money, will receive how much and in what form.

We are going to have to adopt the same system in Canada. The present system, or lack of system, is unfair to the Post Office, which should not be asked to play God to the publishing industry, and which, anyway, is incompetent to do so. It is unfair to the public and Parliament, which has no effective say in determining the scale and type of assistance. It is unfair to the publishing industry because it has no involvement in the process of apportioning the assistance between the various types of users.

Further, the present system is unsatisfactory, not only because it is at bottom undemocratic and irresponsible—irresponsible in the sense that everyone tries to dump their responsibility onto the Post Office—but it is unsatisfactory also in an operational sense.

For years, the Government has been picking up a large part of the postal tab to the Canadian publishers. For the last decade, the annual sum has been running in the order of fifteen to thirty million dollars a year. This is a very large sum. It can be contrasted with the fifteen million dollars spent this year on subsidies to the gold-mining industry, or the twenty-six million dollars spent this year on the ship-building industry.

Translation]

Can it be said that Parliament, the public and the publishing industry fully benefitted

from this money? Your deliberations on the present situation of the industry may provide some answers to this question. However, allow me to outline for you some weaknesses of the present system. At present, the government assumes part of the postal costs which sometimes amount to more than one million dollars and in several cases more than \$250,000 for some publications. Nevertheless, these publications may be highly profitable in themselves, or belong to enterprises whose operations as a whole are highly successful. On the other hand, some publications in dire need of financial aid can get hardly anything.

I learned the other day that a major Canadian publication will have to cease operations. If it should do so, the loss will be great, very great, for the country. And yet the publication receives almost no aid at all with regard to postal rates.

It is just a situation of this kind which leaves a great deal to be desired, a situation where those who have the least need receive the most assistance, and those whose need is greatest, and who deserve aid, receive the least.

To change the system is both extremely difficult and delicate. It is like trying to break out a vicious circle. Freedom of the press is essential to the health of our society. And yet the press needs aid from the government, if not to prosper, at least to survive, and government aid may destroy freedom of the press; it is a vicious circle.

This difficulty was described by Mr. Maurice Western in an excellent article which he wrote for the *Winnipeg Free Press*. He raised four points.

First of all, Mr. Western termed the recent rise in rates "draconian". I cannot accept this adjective and shall return to it in a moment.

[Text]

This difficulty was described by Mr. Maurice Western in an excellent article for the *Winnipeg Free Press*. He made four points.

First, Mr. Western called the recent rate increase "draconian". I don't accept the adjective and will come back to it in a moment.

The other points Mr. Western made, however, are most appropriate. Second, he said that the Post Office cannot be allowed to just declare that it incurs a deficit on second-class mail and by implication suggest that this is a subsidy. The Post Office must prove that it is, in fact, incurring a deficit as a result of an equitable apportionment of revenues and costs to this particular class of mail.

I completely agree and suggest further that this determination should be made by some third party, answerable neither to the Post Office nor to the publishing industry. In examining the figures myself, I realized that the Post Office in the past has been including in the second-class deficit the loss that we incur in Canada in handling foreign publications destined for Canadian subscribers which choose to mail in Canada, as well as the imbalance in what one might call the Canada-U.S. postal trade in magazines and newspapers. Plainly, these arrangements in no way affect the Canadian publishing industry. The sum involved is about seven points six million a year and from now on it will be entered by the Post Office as a separate item rather than being lumped into the second-class deficit.

Thirdly, Mr. Western noted, as I have done earlier, that in his words, "some newspapers might require considerable help; others none". This difficulty has to be resolved if money is not either to be in effect wasted, or else too little given to those who need it.

Finally, Mr. Western described the dangers of government financial involvement in the Press in these words:

"Whatever the understanding at the beginning, newspapers would find themselves in a spider's web on influence. They would be dependent upon government; they would feel obligated to government. They could not hope to preserve their credibility with the reading public".

And perhaps that last observation is the most important of all, because, without credibility, the press would be impotent as critics.

Now, Mr. Chairman, I would like to shift from argument to facts.

This year, 1969-70, the Post Office will lose twenty-four million dollars by handling Canadian publications. The loss next year is forecast at twenty-five million. These figures represent the second-class deficit, less the loss incurred on handling foreign publications; in other words, we have got the other seven point six million out of there.

The publishing industry questions these figures and argues that in some magical way the Post Office could have avoided most of the recent increases and still have broken even. The argument can only be resolved by resort to an objective examination, but let me demonstrate why they are running a loss and why even the most rigorous and objective

outside information, while it may change the figures in detail, is not going to change them very much.

These charts give you a bird's-eye view of our operations. I am not going to recite the figures in detail. They will be available for you. I would, however, like you to look at the category titled, "Canadian Publications".

Here in "Canadian Publications", we anticipate the loss to total Canadian second-class mail. We have here a number of figures. The pound of mail that we carry represents twenty-three point two per cent of the weight that's carried. In cubic footage, it represents fifteen point seven per cent. of this bag that a postman carries. In revenue, we get two point one per cent., and the costs are nine point two per cent; so if you want to work out the marginal figures that will get to some of the people who say that this is a marginal operation—I would like to know or where do you base your marginal analysis?

On any one of these figures, the bigger the bag that the letter carrier is carrying and that the people are sorting, twenty-three point two per cent of all that we handle, even though the number of pieces is only twelve point five—twenty-three point two per cent for two point one per cent of the revenue that the Post Office gets.

Thirteen point seven per cent. of the cubic feet that goes through our terminals and everything else, for two point one per cent. of the revenue, and look at what we charge. We don't charge thirteen point seven per cent; in other words, we don't base it on a cubic footage. We don't charge twenty-three point two per cent., based on weight. We charge some arbitrary figure which even then yields a loss. We charge an arbitrary figure of about nine point two per cent. This is the way in which we allocate the costs.

Now here, in order to get at this marginal argument, this is the kind of thing here on of these is Winnipeg. One of these is Montreal. Each of them weigh thirty-five pounds. That's what the man starts out with in the morning.

Now, twenty-nine point one per cent. in Winnipeg of that mail, the contents of that bag, yields postage of sixteen dollars and forty-four cents. That's what the bag means first-class mail and it occupies twenty-nine point one per cent. of the weight.

Second-class is fifty-one per cent of the bag, and it doesn't get us sixteen dollars and

forty-four cents. It gets us a dollar, eighty-seven, any one of these bags.

Third and fourth-class, since we are discussing publications, and since you are interested in the mass media—you can see what he yields are there.

There is no class that is subsidized, as a matter of fact as I will come to it later. The other three classes are roughly in balance. Here is where your subsidy is. Half of the weight is here, and a dollar, eighty-seven as against sixteen, forty-four as against a dollar, twenty-five, as against a dollar. Now, that's the Winnipeg group, and this is the analysis of the quantity and weight of a letter carrier's bag.

First-class—the quantity is seventy-nine point two per cent. The weight is twenty-nine point one—twenty-nine point one per cent. Second-class is fifty-one point four. We have one through this. Third-class is nine, and fourth-class is ten point five.

The postage received, as we see here, is nine point one. There it is seventy-nine point one. Third and fourth-class yield six point one and four point nine, nine per cent.

We are going to table these if the Chairman permits.

The Chairman: Please do.

Mr. Kierans: And—for further examination—all right, it's roughly the same thing. We are whipping a dead horse here, I think.

First-class mail is fifteen, sixty-six, which is a Montreal illustration. The second-class mail is a dollar, twenty-nine. In the Montreal illustration, it's forty-seven point five per cent. Of this bag, second-class instead of fifty-one point four, but the other figures are roughly comparable.

Okay, the same thing:—the weight here, is seven pounds, two ounces. The second-class weight is fifteen pounds, twelve ounces, forty-seven per cent, and the third-class is twenty-nine point nine and so on.

Now, all right, we will get back to that afterwards; in other words in 1968-69, twelve and a half per cent of our total volume or second-class was yielded at two point one per cent, not twelve and a half per cent; two point one per cent of our total revenue, but it was responsible for nine point two per cent of our total costs, and I want to remind you that the volume of that mail; that is, cubic footage

that was required, was well above the nine point two per cent that we charge.

Similarly, 1969-70—we foresee for this year, and these are estimates: the Canadian second-class mail volume will be ten per cent of the total. The revenues we expect to get out of that ten per cent is only three per cent of our total revenue, and the costs of seven point two per cent are what we expect our costs to be this year, and therefore even after the rate increases, about which honourable publishers have presented their figures to you, the discrepancies between cost and revenue is still glaring even after these; in other words, revenue is three per cent, compared to total costs of seven point two per cent.

Other percentages in that same horizontal column are revealing. While we apportioned in 1969-1970 seven point two per cent of our total costs for second-class, yet second-class, as I told you, accounted for ten per cent of the total volume, eleven point eight per cent of the cubic feet and twenty per cent of our total poundage. If we based the rates on either poundage, volume or space, cubic feet, the publishers would really have something to howl about. In other words, we are not, as some publishers have claimed, trying to dump on to Canadian publications costs which should be allocated to other categories.

On the contrary, the proportion of costs we allocate to Canadian publications are less than the percentage of volume, space and weight that that class occupies. You have some other charts here which I will not go into because time is passing, Mr. Chairman, but I would like permission to table these for further examination by the Honourable Senators.

[Translation]

So much for our costs-revenue breakdown. The figures are based on a study made for the Post Office by a private firm, P. S. Ross and Associates. And I repeat, before the Post Office could ask Parliament to make up this deficit, the figures had to be checked for accuracy by an outside organization to which the Post Office and the editors could express their point of view. I repeat that such a check changed practically nothing in the figures I have just given you.

And there, Mr. Chairman, is the core of the problem. The deficit is considerable now but it will increase. The Post Office is doing all it can to improve its service. We have already made important changes in every phase of

our operations and we shall make others—and yet our costs will continue to increase inexorably because, of all the industries in the country, we are the one which depends most on manpower.

The size of the deficit creates two pressing problems: on the one hand, the Post Office cannot continue to increase second class rates without doing serious harm to the press in Canada. On the other hand, there is a limit to the deficit which the public and Parliament would be willing to pay. If we wish to go back and examine closely, from a different angle, the real repercussions of the recent increases in rates, we shall see that all this publicity has loudly proclaimed only one side of the issue. Here is the other.

[Text]

Mr. Kierans: My first Exhibit, Senators, is Brigadier Malone.

The Chairman: Do you wish to table Brigadier Malone?

Mr. Kierans: If I thought I could table Brigadier Malone—I would be just delighted.—He came before you the other day to declare that high postal rates are killing farm newspapers.

What Brigadier Malone did not tell you was that postal rates for newspapers have been unchanged since 1951. That year, I might say that the St. Laurent government attempted to change them—it increased them somewhat after—and so much so that in the final exercise, you hardly wondered why they began. Now, that's nineteen years, but they have been unchanged in any consequential way since 1933, and that's thirty-six years ago. Those of you Senators who want to examine the changes that took place in 1951, I think, will agree with me that they were inconsequential. As for the actual amount of the increase, Brigadier Malone did not mention to you that to recover the full cost of the increased postal rates, his farm newspaper, the *Free Press Weekly* would have to increase its annual subscription rate by exactly eighty-three cents a year, which worked out to one and two-thirds cents more a copy. That's the full extent of the burden we have asked the *Free Press Weekly* to pay, and it still amounts to only twenty-five per cent of our estimated costs of delivering the paper.

Brigadier Malone also did not tell you that while his postal bill this coming year will be in the order of five hundred and thirty thou-

sand dollars, the cost to the Post Office of carrying the *Free Press Weekly* fifty-two times a year will be two million, two hundred and seventy-five thousand dollars. This represents a loss paid by the general Canadian public, since it is only a book item to the Post Office, you know, the deficit just goes up. This represents a loss of one million, seven hundred and forty-five thousand dollars, which is by far the largest for any single Canadian publication. It represents, in other words, about one-fourteenth of the Post Office deficit in handling all Canadian dailies, weeklies, magazines, journals and periodicals.

As for any difficulties that the *Free Press Weekly* may be having, it is quite specious to blame them on postal rates. As I said, the full cost of the increase could be absorbed by charging one and two-thirds cents more a copy. More to the point, in mid-1968, before the increases went into effect or were announced, the largest farm newspaper in the country, the *Family Herald* ceased operation. That's one they can't blame on me, although they do, but that publication ceased before it was even invited to run federally.

From the Floor: They knew what was coming.

Mr. Kierans: The problem, in other words, has nothing to do with the Post Office. The O'Leary Commission back in 1961 identified the problem in these words:—

"Their (that is, farm papers) very raison d'être are threatened by the decline of rural population and the urbanization of those who remain—due largely to the impact of TV, radio and other media. Their tastes, habits and desires of the rural family are coming more into line with those of the urban family and the communications media are becoming common to both."

The quotation speaks for itself. So also do the facts that Brigadier Malone omitted from his presentation to this Committee. I would like to give one other example of misrepresentation. This was an article in *Weekend Magazine* written by Mr. Reuben C. Baetz who is Executive Director of the Canadian Welfare Council. In it, he made the claim and I quote:

"High postal rates are killing the print word".

That statement is downright nonsense. To substantiate it, Mr. Baetz cited just a few periodicals which he said had been killed

because of the rate increase, *La Terre de Chez-Nous* and the B.C. Union magazine, *Labour Statesmen*.

Honourable Senators, *La Terre de Chez-Nous* has not folded. To correct the harm done by Mr. Baetz' mistake, it issued an ad at its own expense which I would like to quote:

"*La Terre de Chez-Nous* is still alive and doing well. It is healthier than ever in its long and distinguished forty-year history."

As for the *Labour Statesman*, I don't know why it folded. I do know that to recover its full additional postal costs would have required an increase in the annual subscription of forty-three cents, or three and a half cents for each monthly issue.

As you know, I think Honourable Members here from the West Coast have a high regard for the advances that have been made by them, and I can applaud them for what they have gained of union members on the West Coast, B.C. I think that, you know, they have gained enough that they can afford three and a half cents per issue, if they think the *Statesmen* is worth it, but, that's their decision. It's not mine.

I might add that for *Canadian Welfare Magazine* itself to recover the full cost of the increase would require—and this was introductory within the article—an increase in its annual subscription rate of eight cents.

Mr. Baetz in his article did not, of course, mention the length of time for which postal rates had remained unchanged. He did not mention that eighty-one new publications secured second-class privileges last year, and this is exclusive of the many other new publications which fall outside the second-class category.

He did not mention that, so far as we can determine, and we are the ones who register for second class, thirteen weekly newspapers ceased publication last year, but twenty-eight new ones started operations.

As for daily newspapers, I would like to quote from a recent issue of *Marketing Magazine*:

"If publishers had a reason to feel reasonably satisfied last year, then in 1969, they will be crowing—1969 (that is the year of the rate increase) looks like a vintage year for the dailies, and indications are that time will see them continue to improve".

Mr. Chairman, I could pull out a great many more quotations and statistics, but I think I've given you enough, enough to put second-class rate increases into their true context, and to establish beyond doubt, I hope, three points:

1. The Government already assists the Canadian publishing industry to a considerable degree—some twenty-four million dollars accounted for by artificially low postal rates.
2. Claims that the increased postal rates are killing the printed word are either exaggeration or misrepresentation.
3. Particular publications which run into difficulties can no longer shift the blame onto the Post Office. If they make that accusation, such publications must prove their case with facts and figures instead of making just a generalized declaration.

The publishing industry, the members of this Committee and the public are well aware that there are dozens of reasons which can cause the decline of a particular publication which have nothing to do with postal rates. Postal rates are just one among hundreds of cost items and in addition have nothing to do with such factors as competition, poor editorial quality, changes in readership tastes and poor management.

Mr. Chairman, where do we go from here? I have mentioned the system that will be put into effect in the United States: the U.S. Post Office will set rates to recover its full costs and then Congress will vote an amount by which those rates are proportionately reduced. The same suggestion has been made in Canada by the Glassco Commission, and I quote:

"We recommend that an annual grant be made by Parliament in an amount sufficient to cover the costs of the Post Office in handling second-class mail, to the extent that such exceed postal revenues arising from the rates set by Parliament".

For such a programme to go into effect, it would be essential for the Post Office to justify, first, the losses it claims to incur on second-class mail. This would have to be decided as I have suggested, by some impartial body. Parliament would then vote a sum to cover that deficit, or if Parliament, because of competing claims, felt it could not afford to cover the full deficit, the Post Office would have to raise rates to make up the difference.

As for the method of apportioning the assistance, two elements are essential:

1. The Government should not give specific subsidies to specific publications. This would be quite inappropriate;
2. The publishing industry itself should make specific suggestions on how, within the financial limits set by Parliament, the assistance can be most equitably divided among different types of users.

Speaking personally, and not as Postmaster General, I think it would be only proper to set a limit on the amount that any one publication could receive by the way of artificially low postal rates. The money thus, in effect, 'saved' could be applied to providing extra assistance to those categories of publications in the greatest need of it. And as a final point, artificially low postal rates are, by no means, the most effective way of assisting the industry. Some publications of considerable merit make virtually no use of the mails and so would receive no assistance at all.

Mr. Chairman, let me sum up all I've been saying as simply as possible. The publishing industry in Canada, which faces exceptional difficulties and which plays a vital role, must be helped, and it must be helped in ways that do not harm the industry nor undermine its credibility. The extent of the indirect aid now is about twenty-four million dollars. Parliament should determine a fixed sum, a precise sum. It might be more than twenty-four million dollars, it might be less. That sum must be apportioned in ways that will truly help the industry and not either be uselessly frittered away nor go in too large amounts to publications which are profitable anyway.

To this point, I've spoken as Postmaster General. I would like to change caps and wear that, not of a politician nor of a Minister of the Crown, but simply that of an observer. In other words, and this is where I always get into trouble—the following comments are my own.

Mr. Chairman, I think your Committee is out-of-date.

The Chairman: You are in trouble.

Mr. Kierans: Out-of-date in the sense that its title is the "Committee on Mass Media", and you are studying the mass media. Yet the mass media in the form we now know them, are, I believe, a dying institution. Their economic power is great and will remain great. Their capacity to entertain is great and will

remain so, and their capacity to inform, at least in a general sense, is considerable, and it will remain so. But their capacity to affect individuals, people, to mould opinions, to inspire political and social change, is disappearing.

[Translation]

All of this is because our mass society is becoming a society of individuals. The mass media reflect the society of yesterday, a society that still exists to some extent if we think in terms of the area of consumer goods. The information media have always been geared to a mass audience, in other words to the supposedly average readers, viewers and listeners. However there are fewer and fewer average people and more and more individuals with individual requirements, tastes, knowledge and interests.

I am very happy to hear that you have already heard the point of view of the so called underground press. I won't dwell upon the quality of these publications for they—along with newspapers directed at certain ethnic groups, business magazine and radio and television broadcasts directed toward particular groups—are the publications that will disseminate information in days to come. More and more individuals and groups will want to pick the kind of information that they wish to receive or have conveyed to others rather than to accept what they receive from well-intentioned owners of information services. In short, they want to participate and do for themselves the thing that others are doing for them at the present time.

The reaction to Vice-President Agnew's criticism of American television could be interpreted as simple hostility toward what is called the liberal caste of the eastern part of the country. But it could also be an indication of a real feeling of dissatisfaction on the part of millions of Americans who realized that the information media, on which they depend so much, does not belong to them, does not represent them and does not fulfill their needs.

I would like to say, in passing, that I agreed wholeheartedly with Beland Henderson's words: "We believe that freedom of the press belongs rightly to the people and not to the publishers." I would like to change this slightly and say that the press belongs to the people, not the publishers.

Too often the people are not being well served. Someone said to me that other de-

that the television and radio stations are jammed with programs directed at younger people because this is the trend and because young people spend a lot of money on consumer goods. Why are there no programs directed at older people? Today when these people watch television they find themselves in another world, the world of an entirely different generation. The media don't give a damn for the rights of this minority any more than they do for the rights of the Indians and Eskimos or the underprivileged and poor people in this country. Do the media address themselves to these people or speak for them? Or are they only interested in fairly well off, well-educated English and French urban Middle Class. And I think, Mr. Chairman, that ours is a society of minorities rather than a society of the mass.

[Text]

Mr. Kierans: Any politician of even average sensitivity is today fully aware that the real danger to political parties is not that of defeat at the polls, but that of irrelevance in a society grown too mature for stale, old-fashioned political bickering and scrambles for power. The same is true for the owners of the mass media. They are as much on trial as we are. Like politicians, they are going to have to prove their relevance instead of justifying their existence by the simple fact of possessing power.

I don't know, Mr. Chairman, whether your research has covered this aspect, but I cannot help wondering how many Canadians are really watching television today rather than just using it as a background noise, an easy way to pass a lonely evening, the "structure of a day" as McLuhan has said, or how many really read the newspapers rather than just buying them for the department store ads, the want ads, the sports news and the television listings. My suspicions may be totally wrong. The point is that many other people hold them.

If the mass media are being challenged, then it is fortunate that technology is providing them at least with some of the means to respond to that challenge. Technology is making an era of individual communications possible. Satellites are important because they shrink the world to a village and because they are the only effective way of bringing the benefits of communications to all people no matter how isolated, but far more important are the developments which will give the media back to the people.

The list of what is happening and what will happen is almost endless. Co-axial cables which can provide twenty, forty, sixty, even eighty separate channels, will enable television for the first time to appeal to specific minority audiences rather than only to mass man. There will be eighty different groups of people at which to aim rather than just the one, mass consumer group of today. On-line real-time computers will eventually make an almost unimaginable store of information available to specific individuals in response to their particular specific requests. Switched cable systems will transform television from its present linear, one-way state into a two-way system within which groups and individuals can truly participate. Hot-line phones can bring members of the public into direct contact with those in authority, rather than having to go through the anonymity of letters.

I am sure that members of this Committee are familiar with some of the changes that modern communications technology is bringing to the traditional domain of newspapers. The *New York Times* is developing an information retrieval system of current affairs based upon the priceless store of information contained in its files. In Japan, two companies, one a newspaper and the other a large electrical concern, have joined forces in a pilot project of facsimile transmission of newspapers. If the technical and economic problems can be solved, this would be a breakthrough since it would enable newspapers to aim specific editions at specific audiences instead of, as at present, having to try to appeal to all possible readers in a single edition.

The impact that computers may have upon newspapers is virtually incalculable. Today they are used chiefly to justify type and to prepare speedily copy to be printed. Tomorrow, computers may be the instrument by which "daily" newspapers become "hourly" newspapers, up-dated at the demand of the individual readers and containing the facts on a particular situation that he wants, and so on.

I am not qualified to provide you with the technical details. All I can do is report the trend of modern communications technology, and that trend is away from the mass and toward the individual. And communications technology is changing barely fast enough to keep pace with the social changes in our society, a change away, to repeat, from the mass and towards the individual.

If it is any consolation to publishers—I am closing now, Mr. Chairman—and it probably isn't these same forces are causing equal problems for the Post Office. Even as we try to bring the institution up-to-date, we have to be prepared to meet the competition of tomorrow—facsimile, data transmissions, satellites which can reduce the effective size of this country from three thousand miles or four thousand miles from east to west to three or five hundred miles.

Earlier this week, and it is not confidential in any way, in a luncheon I had with the President of the Bell Telephone Company, we were discussing making the optimum use of the satellites that this country is going to put up, and among the discussions was using two television channels instead of using one channel for two-way conversations, using one channel one way, east-west, and another channel the other way, west-east.

The capacity would be twelve hundred lines on each channel; that is, twelve hundred lines in each direction. To make the thing work and to accelerate demand, obviously the price would have to be low, and the telephone companies are considering the possibility of changing long-distance rates in this country, because under satellites, distance is the one thing that doesn't matter.

We had another example earlier this week when the Canadian-Overseas Telecommunications reduced its rates, and we all know the problems that we are having with increasing rates and everything else. They have reduced its overseas rates to Europe and Great Britain and Ireland by seventeen to thirty-three per cent because distance doesn't matter with satellites. Canada has its own satellite. Distance doesn't matter; so how do you base a rate, the kind of thing that we are discussing? What you want to do is fill up those channels, build your traffic, transmit your data, transmission data in particular as well as voice; so you conceive of Canada in a completely different way, Canada not as being a country four thousand miles from sea to sea, but Canada as being a country maybe five hundred miles in width.

We base communications rates on the first five hundred miles, let's say, from Montreal to Toronto and somewhat beyond and the rest of it is free. The rate is the same from Montreal to London, Ontario, as it is from Montreal to Vancouver because with a satellite the distance doesn't matter, and you begin to see or you are groping towards a solution of other problems that we have.

We can communicate with Winnipeg from Montreal or Ottawa or Toronto as cheaply as we can communicate with New York, whether it's transmission information, data information or whether it's voice, and therefore there's no reason at all with these tremendous computer banks that we are worrying about—there is no economic reason why they should be located south of the border; in other words, from Vancouver down to Seattle and San Francisco, from Winnipeg down to Chicago—it makes no difference in communications. You can go as cheaply from Montreal or Toronto or Ottawa to Winnipeg or Vancouver as you can go south from Montreal to New York; so, these are the problems and this is the future.

Mr. Chairman, in conclusion I would like to congratulate you and the members of the Committee for the work you have been doing. You have initiated an inquiry into an area that is of great importance to Canadians, and if in your report you have any suggestions to make on this difficult and complex issue of second-class mail, particularly on how the system can best serve the real needs of the industry rather than just perpetuating the traditions of yesterday, I would be very glad to study them very carefully.

If I have, unasked, any criticisms to offer then it springs from my comments of the past few minutes, and is precisely whether you have seen your task in broad enough perspective. You have heard from the professionals, the experts, the owners, but you haven't yet heard from the people, and, in our view, until you do, you have only examined one-half of the issue and that may be the easier half.

Thank you very much, Mr. Chairman.

The Chairman: Thank you, Mr. Minister. I should say that as far as your concluding sentence that we haven't yet heard from the people—I think I should say for your information, one of our recent projects, which is now complete, was a fairly extensive sample and a long questionnaire, a research study, which I think will give us some of this information, at least.

Well, now, you were saying a moment or two ago about the consolation for the publishers. If it is any consolation to you, you made the most dramatic entry. You are the only person we have had before the Committee to have received even a smattering of applause from my colleagues, and thirdly, you have spoken far longer than anybody else before this Committee.

So, I congratulate you for all of these things. We would like now to turn to the questioning that Senators have, and although he is not a Senator, he is from Montreal. We thought we would let Mr. Fortier ask the first question.

Mr. Fortier: Thank you, Mr. Chairman. After having heard the Defendant, I am tempted to say that I have no cross-examination.

From the Floor: Is he guilty?

Mr. Fortier: Mr. Minister, when you took the decision which you did take very boldly towards the end of 1968, I wonder if you took into consideration the fact that there would be some publications which would cease publishing and that there would be others which would reduce the frequency of their publications? More to the point, I wonder to what extent you considered that the ninth publication which ceased publication in Canada, and which announced it would do so in January, 1969, was the *Canadian Postmaster*?

Mr. Kierans: Well, I can tell you we didn't do it for postal reasons. We took a long look at the value that we were getting; whether it was the right kind of magazine. I can tell you—I think Mr. Houle is here—I don't think we particularly liked the orientation of it.

If it wasn't serving its purpose, with or without the increase of postal rates, that would have been withdrawn, let's say, for assessment. I also would like to say, Mr. Fortier, that I think that a new version of the *Postmaster* will be coming forward by May or June of this year.

Mr. Fortier: I will move from specifics to generalities, the generalities which are very relevant, I think, to the work of this Committee, and I will ask the question again.

Did you consider in seeking increased revenue that there would be some very important publications, both in the magazine as well as in the newspaper field which would cease publication and consequently that your department would lose some revenue from those particular organs?

Mr. Kierans: Yes, you think of that in terms of—you know, there's a given price increase—increase the absolute amount of our revenues, and it did, not by the eighty-four million that we forecast, but by something like, I suppose, fifty-five million because

there was, of course, a great deal of resistance to it at the beginning, but that is coming back.

Now, the only major concern that I have had, after thinking about the problem for the past year, has been the undue burden that has fallen on those publications, and I am speaking here of the daily newspapers, that have, unduly or not unduly, relied more than normal on delivery by mail.

Now, you can make the quick brush-off answers. Is a daily newspaper really a daily newspaper if it has to rely on the mails for its system of distribution, because obviously there is going to be a twenty-four hour delay? While this was acceptable in the thirties or even in the forties, let's say, during the forties, during the war and probably up until 1950, the advent of television increased reliance on radio. The advent of Telex, T.W.X.—all of these other means of transportation of information, because that is what it is, have created tremendous pressures for the traditional daily newspaper. In other words, there is a good deal of feeling among people that the postal service was a lot better two or three decades ago than it is today. Well, this is just sheer nonsense.

Actually, we transport all first-class mail by air; so even if we are forty-eight hours instead of twenty-four, we are not five days from Halifax to Vancouver, but people accepted five days two or three decades ago as being prompt delivery.

Now, the point I want to make is that the kind of pressure—and newspapers are judging themselves by this—that's on them is not from the Post Office. It's just from other means of information distribution that are instantaneous—you know, half-hour news programmes every half hour on radio stations, television and all the rest. They kind of have a nostalgic memory for what must have been, when actually what they are comparing is the pace of thirty years ago which is not the same now. But they are special figures that you are talking about.

Mr. Fortier: No, no, my question is: in retrospect today, given what has happened since these new rates have come into effect on a progressive basis, and given the number of publications which have, in fact, gone out of business—did you anticipate that there would be such a high level of companies going out of business?

Mr. Kierans: Okay, you tell me how many there are. You know, I have seen various headlines in papers and I have heard it said at one time that there were twenty-five hundred and then in the same late show question twenty-five hundred; and then he said that there were forty and then he said that there were four, and I asked him, "Which the hell figure was right?"

Now, you know, I want to know where all these newspapers that went out of business went. We don't know where they are, and the postman that carries the damn things doesn't know where they are because, you know, there's just as many as there ever were.

Mr. Fortier: As far as magazines are concerned, there are approximately fifteen magazines which have gone out of business.

Mr. Kierans: How many have started?

Mr. Fortier: Well, you gave a figure in your oral presentation today.

Mr. Kierans: And how many go out? I think, Mr. Fortier, what you have got to compare is: how many went out last year with how many went out the year before and, you know, go back for a five-year basis. How many papers are disappearing every year?

Mr. Fortier: All right, then, I will phrase my question differently, Mr. Minister. Had the research which was done for your Department considered that aspect of the effect of the increase in postal rates; that some publications would go out of business because of the increase?

Mr. Kierans: Well, we knew that some of them would, I suppose. There is always the straw—when you have twenty-five clients, and this is roughly what we have—that's going to break a particular camel's back, but then when we analyze most of them; like, you take your *B.C. Labour Statesmen*—that may or may not have gone out.

You take *Le Travail* by the C.S.N. That went out, but that didn't go out because of postal rates because they have started up again.

[Translation]

They announced that...

Mr. Wilfrid Houle, President of the Postal Workers' Union: That had been decided...

Mr. Kierans: Long before then.

Mr. Houle: That had been decided almost a year before.

Mr. Kierans: Yes, before.

[Text]

Mr. Kierans: Mr. Saulnier, for example, of the City of Montreal, said that the demise of the publication *Montréal* was due to postal rates. My God, the decision was made months before the postal rates went up! They stopped taking advertising for the November issue and the rates only went up in October.

Mr. Fortier: Are you saying, in effect, that you did not anticipate, as a result of this research which was made available to you that any publication would go out of business be it magazine or newspaper—because of the sole factor of increased postal rates?

Mr. Kierans: If you had asked me that before and if you ask me that now, I would have said that we would have anticipated that a number would have gone out of business, but you see an additional cost—there again, it wouldn't be due entirely, Mr. Fortier, to the increased cost because sometime the increased cost is just the little point that makes you take a decision that you have been hesitating about for many other reasons you know, lack of staff to help you run the paper. You can no longer, you know, get cheap labour or you are unionized all of a sudden. The advertising is switching out of weekly newspapers to daily or on the radio or on the television and so this is the point that really makes you take the decision, but there are a whole host of problems.

Mr. Fortier: Another aspect of the question of course, and one which has been stressed by a number of witnesses before this Committee is that many daily newspapers have seen the subscribers cancel their subscriptions because they did not wish to pay an increased rate and I am reminded here of Mr. Gratton of *Le Droit*. He made the point very eloquently that *Le Droit* was the only French newspaper which reached "Les Franco-Canadiens", "Les Franco-Ontariens" in the Sudbury area, and that these people now, you know, are not receiving *Le Droit*. There was no alternative French newspaper. If they wished to have a newspaper, they had to turn to an English one. Monsieur Ryan, your friend, Claude Ryan of *Le Devoir*, made the point that more than fifty per cent of his postal subscribers had ceased subscribing.

Monsieur Gilbert of *Le Soleil*—you may have seen those figures—has not told us before the Committee, but anyway he has told me privately that their mail circulation has gone down by more than fifty per cent. Doesn't this create a vacuum right now?

Mr. Kierans: There is a problem here, but you know, you can look at the problem in two or three different ways. Now, with *Le Devoir* and probably not so much with *Le Soleil* but with *Le Devoir*, it is a newspaper that relies a great deal and has a great deal of out-of-town subscriptions. Therefore it relies on the mail and is hit harder than most. Therefore, this possible option or decision-making process is not as open or closed to Ryan as it would be to others, but let's work from the other side. Let's take a big daily newspaper either from Halifax or Vancouver, and I know one of them, in which about four per cent of, let's say, a hundred thousand circulation is out-of-town circulation.

Now, what some of these publishers did was charge the full increase of the postal rates on to the four thousand instead of distributing the increase across the hundred and four thousand subscribers that they had; in other words, they weren't going to take this particular group as a loss group. I don't think that's a reasonable decision to take because I don't think—and you as a corporation lawyer know this—that there is a single corporation in this country or in any country that makes a profit on each and every line that it turns out from each and every customer. I mean, the textile industry, for example, or let's take the publications, the Maclean-Hunter publications. They may or may not lose money on Maclean's, but this might be one loss leader compared to the *Financial Post* and all their other industry magazines, and they decide whether this is a reasonable...

Mr. Fortier: You think they should spread it—you think they should spread it?

Mr. Kierans: Right, the textile industry, maybe seventy or eighty per cent of everything it produces or of its lines are loss leaders, but it has to have it to complement a line of which a massive run pays the shot. Without these additional lines, you can't do it. You can't have a full enough range of patterns or products or materials to offer.

Mr. Fortier: How does *Le Devoir* deal with its specific problem?

Mr. Kierans: There are one or two exceptions like that. Three of them at least are

French-speaking publications, *L'Action Catholique*, *L'Evangeline* and *Le Devoir*, but precisely I made the point here of the way in which the Government is actually subscribing twenty-four million dollars and it is not being given to the people that really need it or can use it, and that are fulfilling a function.

I see no reason in the world why F.P. publications, for example—you know, the *Globe and Mail* and all that crowd—you get a million, seven hundred and forty-five thousand dollars, you know, just for one publication. I don't know what the rest of their stable gets, but let's say that this is what is wrong when you begin to make subsidies of postal rates.

Now, I would much prefer to see a system where the Government says, "Okay", and we prove it. We come out with a figure, let's say, to satisfy everybody. We won't satisfy the publishers, but let's say it's done by Riddell, Stead or whoever you want, and they say, "Yes, the figure of twenty-four million is right".

The Government takes a look at its budget and says, "Well, look,—we'll give the Post Office twenty million. You get the other four million out of increasing the rates. Just increase it to get four million. We'll put in every year a flat sum of twenty-million dollars, and therefore this year you have to get the four million. Next year, if your costs go up by a million dollars, your rates go up correspondingly", and over a time the publishers won't mind that, because they can foresee it.

What they didn't like was, you know, all of a sudden the attempt, the draconian attempt, if you will, to recover what hadn't been done since 1933 all in one swoop, but we didn't do it. We went and put up the rates four hundred per cent, but where did that get us? It got us up to twenty-four per cent.

Mr. Fortier: A very good case can be made for the proposition that in fact these twenty-four million dollars do not constitute subsidy to the publisher but rather subsidy to the reading public. Would you care to comment on that?

Mr. Kierans: Well, all right, you tell me that, but I will go on and tell you, "Sure, or to the advertisers".

Mr. Fortier: I suppose you are right.

Mr. Kierans: Yes, the advertising rates should go up, too, but then they come crying

to you that we are subsidizing the C.B.C. and all the rest of it.

My answer is that I am not responsible for the C.B.C. If somebody else wants to subsidize that, that's their problem. I am only trying to run a show here.

I have been through this so much, Senator, that I get it coming backwards and forwards.

Mr. Fortier: Is it your view on record before the Committee, Mr. Minister, that you do not consider that the subsidy is one to the reader, but rather one to the publisher?

Mr. Kierans: Yes, sir, because they are the ones that are making the profits. They are the ones that control the pricing policy. Admittedly, they won't have as many customers if they put the price up by ten per cent, or something like that to recover it, but you know, people have other forms of information and people may be satisfied with other forms, but if they made their papers better, maybe people would want to read them, and be willing to pay for them.

Mr. Fortier: Well, that's a very hypothetical case or situation.

The Chairman: Senator Everett?

Senator Everett: I just wonder if we could approach the same subject from another viewpoint.

Can you tell me what the deficit for second-class mail, was Mr. Minister, that you projected with you were bringing the Act in?

Mr. Kierans: I don't remember what figures I used. I have my Assistant Deputy Minister of Finance here. It seems to me it was something like thirty-two million, but we have already explained there that we are now refining, Senator, the manner in which we determine these deficits; we have now been able to pinpoint that a certain amount of this money is not attributable to Canadian publications as distinct from all publications.

What we forecast at the time of the Bill was thirty-nine million, but then, as most of you know because you have had certainly many submissions on this, at least seven or eight million of that went out of second-class. It would have come down to about thirty-one or thirty-two because we took...

Senator Everett: I am asking what deficit for second-class you forecast.

Mr. Kierans: At the time of the Bill?

Senator Everett: At the time of the Bill.

Mr. Kierans: Yes, thirty-nine million, but that included...

Senator Everett: No, for second-class because you say you had taken some out and made them third-class.

Mr. Kierans: Well, I am going back to the time of the Bill.

Senator Everett: But you are forecasting the second-class mail, aren't you, for the...

Mr. Kierans: The deficit.

Senator Everett: As though the Bill had been in operation. Didn't you forecast what the deficit would have been, had the Bill been in operation in the year in which you introduced the Bill for second-class mail only?

Mr. Kierans: Well, if there had been no changes, the deficit as it was defined at that time of second-class would have been fifty-four million, six hundred thousand. This was the forecast I used, but the revised rates for second-class were to reduce that to thirty-nine million. The effect of the increase in rates for the coming year, '69-'70 was thirty-nine million, but that definition of second-class, we no longer define in the same way because we took about twenty-five hundred publications that were originally defined as second-class and under the new definition no longer belong into that class, but go into third-class.

Senator Everett: Yes, I appreciate that. The figures I have here are that in '67-'68, had the increased rates been in effect, the deficit would have been twenty-one million, including a three and a half million second-class imbalance that would be on overflow circulation from the United States, and what you had predicted was an actual deficit of eighteen million, four hundred and forty-four thousand, two hundred and fifty-five dollars.

Mr. Kierans: Did I use those figures because I haven't got '67-'68 here, and this was the budget analysis on which I calculated? I didn't use '67-'68, I don't believe, at any time. Any comparisons that I would have made would have been '68-'69 or '69-'70.

Mr. Fortier: The figures come from Nicol Kendall.

The Chairman: Senator Everett?

Senator Everett: The deficit that you project here for '68-'69 is forty-one million, which is on your chart we are dealing with here. Is that correct.

Mr. Kierans: Here?

Senator Everett: Yes, the second-class total deficit forty-one million.

Mr. Kierans: Yes, that's the chart there.

Senator Everett: Forty-one million, six hundred and twenty-six.

Mr. Kierans: That includes first of all. . .

Senator Everett: That includes three million six hundred and seventeen thousand of overflow circulation.

Mr. Kierans: That's right, plus another four million—the costs of distributing mail that is trucked across the border. We would have to go back to the chart.

Senator Everett: I assume that '68-'69 figure is an actual figure.

Mr. Kierans: All right, that's the explanation for the difference. If you remember—well, during the Hearings on the Bill, we amended the Bill from our original figures, to bring it in in three stages instead of all at once. You know, we divided it into three; so for this reason you have the difference, and the figures that we are now giving you projecting a deficit for next year included the full changes. You know, all of the rates will be in effect as of next April.

Senator Everett: That's why it reduces from forty-one million to thirty-one million, is it?

Mr. Kierans: Yes, that's right. Well, yes, for '69-'70. We only got a third of that in the preceding year.

Senator Everett: The actual figures for 1968-69 would show a net deficit for second-class mail after taking out the overflow circulation of thirty-eight million dollars?

Mr. Kierans: Yes, we didn't make those adjustments for the Canadian publications until below.

Senator Everett: Well, I think we can include those. What was your projection? What did you think—when you introduced the Bill—would happen in '68?

Mr. Kierans: We figured that there would be thirty-nine million, ninety-seven thousand,

and here there was forty-one, which is roughly about what it's coming out to for '69-'70. We figured thirty-nine million, ninety-seven thousand dollars, and our figures are getting better all the time, which is roughly what we estimate here of thirty-one million, six-zero-four, the estimate for '69-'70, plus the seven million, six hundred and nine thousand that we are taking out of there for that year.

Senator Everett: Which brings it down to thirty-two million.

Mr. Kierans: It brings it up to thirty-nine, if you add the seven million, six hundred and nine thousand. I am just speaking of one year here, '69-'70. Do you see your thirty-one, six-zero-four?

Senator Everett: Oh, no, I am dealing with '68-'69, and that's the year for which I was asking your projections.

Mr. Kierans: Oh, well, I doubt if we have gone back—have we gone back and measured the effect?

Senator Everett: You see, it would seem to me that when you were considering this Bill, you would have wanted to have known what effect the Bill would have had on your revenue in '68-'69.

Mr. Kierans: Well, we figured that the effect of the increase in second-class rates was going to be fifteen and a half million dollars out of a total and we were aiming for ninety-one million dollars, of which we were going to collect one-sixth in the second-class rates, which, incidentally is where our deficits are. For example, I can give you just as a general statement here, which I didn't use before—but for '68-'69—for first-class—now this is an important point I want to make. We made a profit on the new rates or would make a profit on the new rates. The revenue would have been fifty-one point seven per cent of our total revenue, but costs would have been forty-five point six per cent of our total costs; in other words, there's a profit there of about six per cent.

In the second-class rates, the revenue would have been two point six. We have used those figures in the chart—two point six per cent of our total revenue. The costs would have been eleven point one per cent. We have used that; so that this is where the great deficit is. There is a small deficit but notice this: here it is again, total second-class. Eleven point one per cent of our costs are in that class. Two point six per cent of our revenues are in that class.

In first-class, forty-five point six per cent of our costs are there. Fifty-one point seven per cent revenue, therefore, that is more than in balance.

In third-class seventeen point seven per cent of our costs are in handling that class. Sixteen point three per cent of our revenue is there; so there is a difference of about one point four per cent, and in fourth-class we make a profit. Fifteen point seven per cent of our costs are in the fourth class. Eighteen point nine per cent of our revenue is there; so the thing outside the small imbalance of third-class is quit simply a second-class problem.

Senator Everett: So, we should deal with the second-class problem. Well, to come back to my question then, I am wondering what you projected as the second-class deficit for '68-'69 year, if you have that figure. If you haven't that's fine.

Mr. Kierans: Well, no, the figures that I have are quite simply the figures that we used on introducing a Bill. You must account here for different definitions because of the way we reduced the second-class. It went down from five thousand publications to approximately twenty-five hundred. I may be out a hundred either way.

Now, without any price increases at all, I must have told the House—I haven't looked back into that—that we projected a deficit in that class of fifty-four million. With the increase in a full year's operation of the increase, the effect of the operation in the increase which at the time we thought would come at once on April the first; therefore, for the full fiscal year, we felt that we would increase our revenues by fifteen million, five hundred and forty-six; therefore reduce that deficit to thirty-nine million and ninety-seven thousand dollars.

Senator Everett: That's on the increase in revenues?

Mr. Kierans: Yes, operating in a full year.

Senator Everett: But then you took out of that twenty-five hundred publications.

Mr. Kierans: No, no, this was prior to doing that.

Senator Everett: No, but subsequent to that, what was the effect of taking out the twenty-five hundred publications?

Mr. Kierans: Well, the effect was to boost the deficit in the third-class—the part of that that was taken out of the second-class. The exact effects of that changing definition I haven't got, although they are included here in the charts.

Senator Everett: Mr. Minister, didn't you have a paper which your Department showed you?

Mr. Kierans: Look, I have got—

Senator Everett: Which would show the effect in '68-'69 of these rates.

Mr. Kierans: Well, sure, I just told you.

Senator Everett: Well, then, I don't want to press the point. Let me ask one last question: Then in order for you and I to estimate that, we would have to know the effect of taking those twenty-five hundred publications out and making them third-class publications, because we have a figure now of thirty-nine.

Mr. Kierans: Where you and I differ, you know, talking not on cross-purposes, but at cross-years is:—you are asking for figures for '68-'69 when there were no rate increases at all effective in any of these classes.

Senator Everett: All right, let's go then to '69-'70.

Mr. Kierans: Oh, now we are in business because that's when they became effective. They didn't become effective until April the first, '69.

Senator Everett: Fine. Could you tell me what your projection was for that for '69-'70. I am talking about the Departmental paper that would have been put before you as the Minister, saying what the effect of the change in rates would be as it applied to second-class deficit.

Mr. Kierans: This is the point I want to make. The statements that we made at that time, you see, were on the basis of the definitions remaining the same because we didn't know now many publications would be coming out of the class.

In other words, we didn't attribute either to the second or the third. We simply took the class the way it was, and if you moved them to another class, it would carry its deficit with it; so all that we did then was say:—the deficit foreseen for '69-'70 would be fifty-four million, six hundred and forty-three thousand dollars. The effect of the rate increases would

be fifteen million, five hundred and forty-six; so that the revised deficit as a result of the rate—but again the rates coming in all at one time—would have been thirty-nine million and ninety-seven thousand dollars.

Now, two things happened during the debate because all of these figures were prepared for me in order to debate them.

Number one:—The Parliament decided that these rates in the second-class had to be staged. They couldn't all come in on April the first and therefore I couldn't get my full fifteen million dollars.

Then, secondly, during the year...it took us about six or eight months to do this...we shifted the publications around between second and third-class publications in accordance with the definition of the Act that had just been passed.

Senator Everett: Which was the twenty-five hundred publications?

Mr. Kierans: That's right.

Senator Everett: What did you estimate, once you have no figures?

Mr. Kierans: Well, the estimates that you could have seen here between the various classes and the figures that I have given you now, really, are the figures that we estimate for the coming year—the figures on the chart.

Senator Everett: No, I am saying: what would be the effect of taking those twenty-five hundred out of second-class, you see.

Mr. Kierans: Oh, I think that we probably transferred a deficit of about seven or eight million, I don't know which, from the second to the third class.

Senator Everett: So, all right, that's seven million. That would bring it down to...

Mr. Kierans: I would think we probably carried a deficit of about seven million dollars.

Senator Everett: The point that Mr. Fortier was trying to make and we don't seem to be able to get it from the figures—I think the point he was making was that:—did you take into account the fact that if you raised the rates, subscriptions would be cancelled or magazines would go out of business. and that the volume of second-class mail, carried by the Post Office would reduce?

Mr. Kierans: Oh, yes, oh, yes.

Senator Everett: And that the reduction would be a loss of revenue to the post office without a consequent reduction in overhead?

Mr. Kierans: Yes, but in the fact, it was an actual gain of revenue between fifty and sixty million dollars; so it wasn't a loss.

Senator Everett: Comparative to the figures that you had projected, though, it would be.

Mr. Kierans: Yes, but what you hope for and what you get are probably two different things.

Senator Everett: It would appear...

Mr. Kierans: I don't want to pull any punches here. I still feel that the second-class category has got to pay a greater percentage of its costs than it's presently paying.

Mr. Fortier: Why wouldn't the Post Office itself spread their losses as you suggested companies should do?

Mr. Kierans: Touché, touché All right, okay, but you know what I want then? I want Parliament to say who gets it. If they want the *Free Press Weekly* to get a million, seven hundred and forty-five thousand, okay. I don't want to say it. If they want to put the pressure on *Le Devoir*, I want Parliament to say it, or if they want to help 'Le Devoir' or 'L'Action Catholique', it's not me. I'm no God on all of this, and I am no judge of the twenty-five hundred applicants that want special treatment, but I want Parliament to say, and I want the publishers themselves, to make some contribution themselves to this problem by creating among themselves some sort of a group or a council or whatever on how to solve this problem.

Senator Everett: But didn't you suffer from diminishing returns, though?

Mr. Kierans: Well, not when you gain sixty million dollars—you don't suffer from diminishing returns.

Senator Everett: When you raised the rates and lost the volume to the Post Offices—surely you did?

Mr. Kierans: Yes. Well, you know, we didn't—you know, the law of diminishing returns means you put up the price and your total revenue in the long run is less than what it was before, and ours was up sixty million dollars; so there is no law of diminishing returns there, or, if there is, you know, I could die happy on that sort of thing.

Senator Everett: You are stating a new law.

Mr. Kierans: The point that I want to make, Senator, is this:—just how great do you think this deficit ought to be? The publishers are the people in the class we are talking about who are using the services, don't have to use them. They can form more groups of high school boys. It's an exploited class, and they can expand that particular class, but they are not going to keep on expanding the exploited group inside the Post Office because you have got guys like Willie Houle down there, and you have got other people like Roger Decarie—I don't know if he's here or not—who simply won't stand for it any more; so the costs are going up because we are a service industry.

Seventy per cent of what we pay out goes to people, forty-eight thousand people. Now, should the people who use the Post Office, pay for it or should you and I or the salaried worker on the street—who should pay for it? and if he's agreeable to paying for it, at least somebody had better tell him that this is what he is paying for because he's never known it, and somebody had better tell him that he himself in paying for his six-cent letter is not contributing to the loss of the Post Office.

Mr. Fortier: He knows it now, I think.

Senator Everett: Yes, I think it's possible.

Mr. Kierans: All right, okay, but if we dropped it to five, then he would be contributing to the loss because the difference is what—about twenty-five, twenty-seven million—one cent on the first-class rate?

Mr. Fortier: Would an information campaign along those lines have been as effective as an increase in the postal rates?

Mr. Kierans: Well, certainly not in a financial way. It wouldn't have gotten me any sixty million dollars.

Senator Everett: Well, if you carried the argument through and you raised the postal rates on second-class mail to the point that they were like first-class and other mails—don't you think there would be a qualified diminishing return?

Mr. Kierans: With the figures that we are talking about now, if we went up twenty-four million dollars in this class and hit the magazines and the publications, an awful lot of them wouldn't like it and would go out of

business. Would we gain?—Well, we have had some letters in to say that I—don't know. don't know.

Senator Everett: That's what you are suggesting in your brief, isn't it?

Mr. Kierans: No, this is not what I am suggesting at all. I am suggesting that we be permitted to do this or that we should do this but then the Government itself, Parliament says, "Okay, that's what your costs are. You want another twenty-four million dollars. You can get four million out of the publisher in the second-class and we will give you the other twenty because we all know that this would be disastrous for the publishing industry."

Mr. Fortier: Do you agree, Mr. Kierans, that it would be disastrous?

Mr. Kierans: Oh, yes, twenty-four million dollars would be disastrous.

Mr. Fortier: No, but the bigger problem which you have just touched upon: Can Canada afford to lose corporations which communicate with the people or would it be disastrous?

Mr. Kierans: Well, certainly. Certainly agree with you, it would be disastrous.

Senator Everett: And you do agree that this were done and the subsidy weren't paid ahead of time so the net effect is the same—let's not talk—I don't want to fall into what would characterize as your error of blaming this all on the publishing industry. Let's talk about the people who receive the publication because that's equally as valid—that they would stop to a large extent receiving publications.

Mr. Kierans: Well, now, wait a minute. don't accept your argument because all these guys, you know, are making a profit they wouldn't be in business. I mean I don't know who came before you Lord Thomson, I guess didn't come but anyway whoever did come before you—do you think that they are in the business of publishing to inform people first and that it's irrelevant whether they make a profit or not?

Senator Everett: I suggest to you that if you are looking at the over-all costs of the corporation and I suggest to you that if the corporation continues to lose money on one arm of its business that it will eventually close it down yes. I think if there is only one

single arm I think you would agree with me that it will close down by itself.

Mr. Kierans: Yes I would like you to be more precise here Senator. How much do you want us to subsidize the publishing industry and why do you think they need it? That is what I want to know.

Senator Everett: I am referring not to the publishing industry but to the people. You are referring to the publishing industry and you are saying that the publishing industry is making a barrel of money.

Mr. Kierans: I am not saying it. I am not saying it at all.

Senator Everett: All right you said the publishing industry is making money and that they can afford to pay the postal rates and I am saying to you that we have evidence of publications that are losing money, that are being carried by, admittedly, large corporations, and I am suggesting to you that they won't go on carrying these papers or these magazines. They will, in fact, close down, and I think what I am further suggesting to you is that.

Mr. Kierans: I think you have to be careful here, you know. Under Claude Ryan, *Le Devoir* has been a much more profitable newspaper than it ever was in its earlier years. I mean in recent years, because I have been a shareholder—I guess I still am—I don't know, but...

Mr. Fortier: He said he was looking for some certificates.

Mr. Kierans: Well, at one time, he told me I was one of two Englishmen that were shareholders of *Le Devoir*. Okay, but I am not talking about his profits here. What I am talking about is: you are accepting as face value that these people say that anything I give them, they will pass on to the readers. Okay, I'll tell you they will do a hell of a lot more than that, but I don't know why they do it. For example, we were discussing the *Free Press Weekly*. Not so long ago, it had a rate of five dollars a year, but how much did the *Free Press Weekly* get out of five dollars? How much do you think, Senator, it got out of that five dollars?

Senator Everett: I don't know.

Mr. Kierans: It didn't get a nickel.

Senator Everett: Is that relevant?

Mr. Kierans: Well, yes, I think it is because if they can afford to give away the newspaper to readers, why do they expect the taxpayer of Canada also to give them all their postage free, because the manner of selling subscriptions in the West was: you hired somebody to sell the subscriptions for you. They gave him ten per cent of the five dollars. He went and hired a lot of youngsters to go around from farm to farm, and he got the other ninety per cent, or it may have been seventy-five/twenty-five.

Now, if you want to keep half of it—and this is not common to one newspaper. It's common to a lot of them.

Senator Everett: Well, let's deal with the...

Mr. Kierans: So, the subscriptions really mean nothing outside of it. They enhance their subscription list in order to build up the advertising rates that they can charge. Okay, this is their business. This is the way they have been doing it traditionally. I simply suggest that I don't think that they should include in this sort of operation the taxpayer of Canada.

Senator Everett: You think they should pay their actual costs?

Mr. Kierans: As a Postmaster General, I say yes, and then as a Canadian, I say the Government has to do something because this is going to be too severe an impost.

The Chairman: Fine, Senators I have promised the reporter a break at this particular point. I think, in fairness, she must have it. Let's just take five minutes, no more.

(Recess)

The Chairman: Honourable Senators, ladies and gentlemen—if I could call the session back in order, please. I think we can proceed to the second round without any further opening statements by anyone. I think, Senator Everett, you were going to ask a question.

Senator Everett: Just dealing with your last assertion that as a Postmaster-General, you would like to see the second-class mail not show a deficit and the rates reflect that, and also you would like to see the rates reflect the actual cost—Is that correct?

Mr. Kierans: Yes, but perhaps I had better define it. Let me put it this way:—as Postmaster-General, I want that twenty-four million dollars, but I don't care from whom I get it. Whether I get it from the taxpayers of

Canada or from the publishers themselves is a government decision.

I say this:—that the Post Office is a service. It's not like investment in human capital, ducation or anything else. It's a service which can reasonably try to balance off its costs through its revenue by charging those costs to the users. Therefore, I would like the twenty-four million, but I realize that this is not possible in all classes. It is possible in the third-class because these are magazines and papers and direct mail material that are used for particular purposes. It's possible in the fourth-class for us to balance, and it's possible in the first-class.

It is not possible, given the structure of the industry and the traditional aid which the people of Canada have always given the industry to do it; therefore, if only four of that twenty-four million comes out of an increase in rates and twenty million dollars comes from Parliament, from the people of Canada, I would be perfectly happy. In fact, I think that this is the only reasonable solution, but then a couple of things happen.

The people at large know that just like, as I said, the gold mining industry, there is a subsidy or there is a grant to carry out certain, specific, national objectives: to have a viable magazine and newspaper industry, and this is what it cost us, the taxpayer in general. Okay, it's clear, and it's also clear to the publishers that this is what they are getting, and then there is only a third point from then on. Who gets the twenty million dollars?

All I am arguing against is that the Postmaster-General should not be allocated his twenty million dollars in the very inefficient way in which we do it because there are very worthwhile magazines in this country that don't rely on the mails one iota and therefore don't contribute to our deficit, but they are in that second-class and they should be helped too; so it demands somebody, maybe a council of the publishers, together with people appointed by my colleagues, the Secretary of State, who will determine how this money should be allocated.

Mr. Fortier: Is the Government, sir, doing anything about this?

Mr. Kierans: Well, I think that when the debate comes forward, if it does, on whether the Post Office should be turned into a Crown Corporation—obviously this is going to be one of the key points.

Mr. Fortier: Are you considering that it is your responsibility as Postmaster-General to bring this particular question before your colleagues?

Mr. Kierans: Well, Mr. Fortier, yes, I haven't done it directly, because I know it is coming forward, because I personally feel that this is going to be the best way to resolve the problem, to create a Crown Corporation. Now, whether it turns into a Crown Corporation or not, you know, depends on the House, but in that debate, obviously the major debate is going to revolve around the solution to the second-class problem.

Mr. Fortier: Aren't you concerned that the publishers would lose some of their credibility if they had to come back again before...

Mr. Kierans: Well, you see, I don't know how to resolve it, but the point is that this exists already, and I don't want them to be hypocritical enough to say to me, "Look, your costs are stupid. You don't know." This has been the whole burden of the proof, that our costs aren't stupid, and every time that they challenge me on these costs by saying that I have a bunch of nincompoops in the Department that don't know how to allocate costs or anything else, then I come back to them and say, "Well, it happens that the last cost analysis was made, not by the Department, but by P. S. Ross and Associates and I will give you permission, if you want me to, to look at their working papers," but not one of them has ever asked to see the working papers, but they keep on repeating the same maudite nialseries.

Mr. Fortier: Would the point which you make very strongly in your brief that there is at the moment some—what could be interpreted as interference with the freedom of the press in this form of subsidy—would it not be even more so, if again, I repeat, the publishers of individual publications had to come begging for money?

Mr. Kierans: I don't think they have to come begging. That's, you know, a pejorative word, and also, I think, you know, a valuable word, but I will admit I don't know the answer to it.

Senator Everett: Well, how would the subsidy be paid then?

Mr. Kierans: Well, I don't know. I hope the Honourable Senators, as far as I am concerned, will come up with some solutions and ask the publishers also for their ideas on how

you handle it in an open, direct way, instead of hiding it in postal rates.

Senator Everett: Would it be paid to the Post Office Department?

Mr. Kierans: I still don't know that either. I mean, the Government might say to us, "Look, you want to get all together". What's the total revenue—forty-five? Let's say it's forty-five million. Let's say you want forty-five million dollars, and you are going to get twenty-million. They say, "Look, if you put those rates up to forty-five million dollars, then, you know, you are going to have a nine-cent delivery rate for a newspaper or magazine and that's just too high; so we will let you go to four and a half or five cents, whatever it may be, or seven cents, and the rest we will give you."

Senator Everett: So, it would come in the end as we have today really, wouldn't it?

Mr. Kierans: No, it wouldn't because we would analyze the rates, and say that this is the rate that we have to charge, and the Government would say, "Well, no, we don't want you to charge that. We want you to charge three cents less." It wouldn't resolve all of the problems, by the way, because then again you would still have the problem. You want a viable magazine in the publishing industry, but a lot of people that don't depend on the Post Office at all, who sell it on newsstands and have other forms of distribution, who have very worthwhile magazines, would not be getting any aid at all, and we would be giving it also to newspapers that don't need it, and we would be giving not sufficient to newspapers that need a great deal of support and so on.

The Chairman: Senator Langlois has a supplementary question.

[translation]

Senator Langlois: Mr. Kierans, we have heard Mr. Claude Ryan before this Committee. He stated that if ever the print media had to be subsidized the money should come from the Provincial Treasury. Do you agree with that?

Mr. Kierans: I think that subsidies have their place. If we are planning to subsidize the press, why not Federal subsidies?

Senator Langlois: I have told you Mr. Kierans' opinion and I am asking you if you agree with him?

Mr. Kierans: That's his opinion.

Senator Langlois: You don't agree with him?

Mr. Kierans: No, for the sake of national unity I think the Federal Government would have a role to play in this.

Senator Langlois: Doesn't the press have a bit to do with education?

Mr. Kierans: Of what value is the information in some newspapers?

Senator Langlois: It has educational value at least.

Mr. Kierans: Perhaps!

[Text]

The Chairman: Senator Everett?

Senator Everett: You have been fairly hard on Mr. Malone.

Mr. Kierans: Oh, yes, I know Dick.

Senator Everett: And I am sure he knows you, and you have stated that you believe that anybody using the second-class mails—as a Postmaster you would like to see that he paid his costs. You would like him to cover his costs.

You have stated in your brief that the cost of carrying the *Free Press Weekly*—I am referring to page eight at the bottom—will be two million, two hundred and seventy-five thousand. Do you happen to know how much per copy that is?

Mr. Kierans: About ten cents.

Senator Everett: About ten cents per copy, based on twenty-two million?

Mr. Kierans: Well, probably a little less than ten cents. There are about four hundred and seventy thousand copies per week, which is roughly just under twenty-four million copies per annum I think it was. All right it was last year's figures. I was going by twenty-four million. He must be doing very well if he's up to twenty-six million now.

Senator Everett: I think your figures are probably more correct. I have their brief here, filed with the Committee. There were "twenty-two million, six hundred and seventy-six thousand copies of the *Free Press Weekly* 'going through' the Winnipeg post office" so that would be roughly a cost of ten cents per copy.

Now, they say in their brief that:

(a) "a hundred thousand copies are put in bundles and sorted by the Winnipeg postal staff and transported to area rural post offices.

(b) eight and a half million copies [are put] in mail bags, handled twice on the loading dock at the Winnipeg post office by postal staff, and transported to other central post offices or to area rural post offices.

(c) Fourteen million copies in mail bags are delivered by the publisher directly on to railway cars destined for other central post offices.

They say that:

"Railway express companies will carry newspapers for one and a half cents a pound; bus companies for two and a half cents a pound. It cannot be expected that the post office cost could be more than three cents per pound or one cent per copy for postal department transportation.

"The cost of rail transportation from Winnipeg in freight cars under contract to the post office varies from two dollars and two cents to three-twenty-eight per hundred pounds. An average cost of one cent per copy would therefore appear reasonable.

"The cost of handling in Winnipeg on a per-copy basis is negligible.

"At the post office destination, the handling and sorting would be liberally be assessed at one cent per copy. In many cases sorting into the subscriber's post office box is all that is required..."

Mr. Kierans: That's negligible?

Senator Everett: I am reading from their brief. It says:

...With the exception of the eleven per cent delivered by letter carriers, the remainder are asked for at the general wicket by the subscriber.

"The approximate cost per copy of handling the *Free Press Weekly* can be summarized thus:

Transportation by rail—one cent;

Transportation by Post Office truck—one cent;

Handling at destination post office—one cent;

Total—three cents."

Mr. Kierans: That's the way he figures that out?

Senator Everett: That's what I have from the brief here, yes.

The Chairman: Would you comment on that, Mr. Kierans?

Mr. Fortier: That was made the object of an editorial, a series of them.

Mr. Kierans: Oh, yes, you know, as one of my friends in Winnipeg said to me, "You know, next to the Prime Minister, you are the most famous national figure in Winnipeg" just in Winnipeg.

Mr. Fortier: That's not a compliment for your friend, Mr. Richardson.

Mr. Kierans: Yes, but Mr. Richardson doesn't get three editorials a day written by Brigadier Malone.

Senator Everett: He sure doesn't.

Mr. Fortier: Like you.

Mr. Kierans: And I guess Mr. Richardson is quite happy that he doesn't either.

Now, there are two or three different way in which I could handle this. I could throw you to the wolf, and he's right sitting at the back here, the Head of the Union of the Sorters, who must have appreciated a lot of the remarks that the sorting costs here are negligible.

I mean, the problem with the Canadian public and a great many publishers is that they have thought for generations that the sorting costs were a lot less.

[Translation]

Mr. Kierans: Willie, isn't it true the owners of newspapers have considered the cost negligible for years and years.

Mr. Houle: They got used to producing "cartoons", that's another "joke".

[Text]

Mr. Kierans: Now, look...

Senator Everett: Before we go any further, though, I think the reason they say it's negligible is that, according to the way I read this—is that a hundred thousand copies are sorted out of twenty-two million, six hundred and seventy-six thousand. The rest are delivered in mail bags broken down as to rural routes and so and so forth.

Mr. Kierans: They still have to be divided up when they get to the rural routes, and sorted.

Senator Everett: Apparently not—I am given to understand that that dividing is done when they put them in the mail bag.

Mr. Kierans: Well, let's start off with the figure that you started with. You know, the figures of one million, seven hundred and forty-five thousand dollars deficit there depends on our estimate of the cost of sorting and the cost of carrying and roughly about ten cents per copy.

Now, the good general was one of those who questioned my figures at an earlier time when I said he was only costing us a million and a half, which was over a year ago, and I invited him to go and look at the working papers because, you know, if the figures are wrong, I mean, I don't care. I don't make more or less on the thing. I want to know, and I want to find out if Sinclair here is not doing his job properly, or others in the department, but he never did.

Now, it's all very well for people who are completely outside of the Post Office—I mean I can tell DuPont, you know, any day or tomorrow what their costs are providing me, with whatever they are providing me with. I don't think they are going to accept this as being reasonable, and I don't accept the analysis of Brigadier Malone until he comes and we can send any firm of auditors he wants to the Post Office to check it out.

Senator Sparrow: Pardon me. Can I just...

The Chairman: Senator Sparrow, yes?

Senator Sparrow: His figures are on the basis of sorting it once. Are your figures on sorting it twice, initially when it goes in to the Post Office in Winnipeg and then again when it is distributed out to the rural routes of the post office district that it's going to? Is that what your figures are based on?

Mr. Kierans: Our figures are based on a time/cost analysis of every operation that we undertake handling his.

Senator Sparrow: Exactly as he has stated there?

Mr. Kierans: I don't know. I mean, obviously there is some difference.

Senator Everett: Well, since there is such a difference of opinion between the two of you, would it be wise to investigate this particular situation?

Mr. Kierans: I invited him over a year ago when he 'phoned me the first time, when we tabled the Bill. It was the day after we tabled the Bill or maybe two days after. It didn't take long for the mail to get out to Winnipeg that day, I will tell you.

Senator Everett: I am talking about his specific situation.

Mr. Kierans: I invited him then. If he wants to be invited again, I will be quite glad to.

Senator Everett: I think what you said was that you invited them to look at your figures, your over-all figures of costs, but their point, as I read this, is that their costs are lower or that the Post Office Department costs of handling their particular mail are considerably lower, and they have given the costs here as being a total of some three cents.

Mr. Kierans: Well, look, yes, if Brigadier Malone wants a rebate because of the work that he does, you know, in bundling and trucking himself, I mean, I would be quite glad to give Brigadier Malone a rebate, but I will be glad to do it when I get something—when I recover my million, seven hundred and forty-five thousand dollars, and then ask him to do various things, and be glad to give him a rebate.

First of all, right now, I can't do it, because it's against the law, but when we are recovering approximately two cents out of what we estimate would be ten cents, I am not willing to give him a rebate on two cents, Senator. I would be willing to give him a rebate on ten cents or take a look at it then, but not at the moment, no.

Senator Everett: Well, then, that's a change in your philosophy from the fact on what you stated earlier, that a user of the second-class mail should pay his appropriate costs.

Mr. Kierans: Yes, sure, and if he paid his costs of ten cents—no, the Government...

Senator Everett: His appropriate costs.

Mr. Kierans: If the Government then decides, "Well, now F. P. Publications need a lot of help, and, you know, we are going to subsidize half of this", or something like that, that's quite all right. I don't care, but if we assume that this straight business relationship between the *Free Press Weekly* and ourselves as a supplier of a service and a user of a service is paying the costs to the supplier of that service, and then he volunteers or then

he points out, "Now, look, I am bundling this for you and I am trucking it to Brandon and I am taking it from Brandon and over to another place, and I think that for the work that I am doing that I should get some sort of credit", I am quite willing to think of that, but at the moment, I think it's in the realm of a dreamworld or a hypothetical question. Let us put it that way.

Senator Everett: No, I only said it, Mr. Minister, because you stated that Mr. Malone had misrepresented his costs.

Mr. Kierans: I didn't say that. I never said at any time that he misrepresented his costs. I said I questioned how a person can say what our costs are. He is telling us what our costs are without ever having come in to the Post Office to find out what the operations are.

Senator Everett: He is trying to estimate what your costs are of handling his particular mail.

Mr. Kierans: Right, but why doesn't he come and take a look? You see, there's another thing. You can take a very simplistic view of what the operations of the Post Office are, but if you mailed a letter to your wife, whether she lives in Ottawa or whether she lives in Winnipeg, do you know how many handlings on the average—now it may be only ten more or ten less in your specific case, but how many times that letter is handled—and I don't say this with pride—from the moment you drop it into the box until somebody picks it up on their porch—about sixty-two or sixty-three, which is it—something like that?

So, you have somebody with a very heavy thing, and you think we handle it about three times, and that this is the way he estimates it?

Senator Everett: No, I don't think he said that at all. I think he says that in his case, you handle it in a certain, specific way, and you are suggesting that a person should pay their appropriate costs.

Mr. Kierans: I said that the class should pay its appropriate costs.

Senator Everett: Ah-hh-hh!

Mr. Kierans: That's how I said it, and I have never said anything different. There is no reason for any at all. You know, I said the second-class should pay its appropriate costs.

Senator Everett: Well, I am not the only one. I just wanted to be enlightened. That was all. I was enlightened.

Mr. Fortier: We had this afternoon the representatives of Canadian Business Press Association and they told us that many of their member publications did exactly this at the request of the Post Office, as a matter of fact, pre-sorting. As a matter of fact, one went so far as to state that they bundled their magazines all the way down to a particular postal route. "Walk" was the word that they used.

Now, given this pre-sorting, this bundling this trucking to the railway sidings and where it reaches its destination, this relatively speaking, minimal amount of work by you employees of the Post Office Department would you accept the proposition that for the same price that is being paid today, the Post Office will now do what some publishers are doing?

Mr. Kierans: Well, I think, if I understand your question correctly, there is something that should be done here.

All right, first of all, I want to say that we are operating in a framework where there is very little that can be done for two reasons. We are operating in a framework where we have roughly twenty-five per cent of our costs; therefore whatever rebates we give them, you know, really increase the deficit, but there is also the problem of an inequity here.

The inequity exists between the people doing what you describe that they are doing and you or me who don't do that but pay exactly the same price.

Well, Mr. Fortier, there my hands are tied, because there is nothing I can do because according to the Act, Mr. Sinclair and nobody else in the Department can take therefore give them appropriate recommendations in terms of a credit. This is according to the Act.

Now, this is one of the things that we are going to try to straighten out, but the assumption would be that, you know, you are covering roughly your costs anyway.

Now, I can see, and I am not quarrelling with the Act the way it is, because the minute we introduce some sort of measure like this, obviously, you know, Opposition Parties are going to say, "Ah, ah, just like the old railway debate or freight car rates in the United States at the time of Roosevelt, the

trust—you know, the link between the big coal companies and so on. They get preferential rates. You are driving the poor man out of business and the little man out of business and so on."

Okay, well, we are going to have to face up to this because the Post Office wants people to do this more and more. You will improve the productivity of the Post Office. It will help us when we go to enact a coding system, and we will derive very much more advantage doing what the Senator has said from people who had their mail addressed to the walk. You eliminate a lot of steps.

There is one point I want to say. Some of you may believe—so you are right. The point is I can't do anything about it now.

Mr. Fortier: Because the Post Office Department does not ask, say, the *Free Press Weekly* today to do this.

Mr. Kierans: Oh, yes, we have another, you know, argument. We have another argument. I don't know what Gordon's saying here, but we have another argument. The argument is: if you help us to do this, we can provide you with quicker and faster service and more dependable service.

Mr. Fortier: And some accept and do it?

Mr. Kierans: And this is why they do it at the present time. You know, we now for the first time in our lives have a marketing division in which we go into about three hundred major users. You can, you know, think of them. They are telephone companies, the hydro companies. There's newspapers, Eaton's, Simpson's, Reader's Digest. About fifty of those companies, and you have got half of the volume that is provided by the Post Office; so we are going into them now for the first time in our lives, and we are looking at their mail rooms and asking—you know, trying to work it out in order to increase our own productivity, but there isn't a nickel I can give them. The only thing I can give them is, say, "Lookit, if you do it this way or can you help us to do it this way? We will get it there a day earlier than it ordinarily would have gone."

I may say that this problem is common too, Senator Everett, for people all over the world. You know, when I said that we have sixty-two to sixty-three steps, that is not criticizing the Canada Post Office.

Senator Evertett: No, I appreciate that.

Mr. Kierans: In any way because some people—I guess it was in *Time Magazine*—from their transportation systems, who were real experts, estimated that the average in the U.S. is—or was at that time—about ninety-nine steps, but this is the result of the way we, the people of Canada, have looked at Post Offices. You know, we never give them the capital equipment, the mechanization or the advanced mechanization to handle these tremendous problems, and we are at the stage now where the provinces were fifteen or twenty years ago if they hadn't built the great auto-routes and so, the interchanges outside of Montreal and Toronto. Can you imagine the old Cote de Liesse Road trying to handle the traffic that goes over the Metropolitan, but we are still at the old Cote de Liesse state?

Senator Evertett: Mr. Kierans, if you believe that the Government should subsidize second-class mail rates, but the method you prefer is that the Post Office be run as a Crown Corporation charging whatever rates it needs to cover the steps, and that Parliament or the Government should grant subsidies to the users of second-class mail, why didn't you suggest this at the outset, when you originally contemplated the raising of second-class rates?

Mr. Kierans: Well, look, you know, if I started that kind of, you know, theoretical or philosophical approach, first of all, I didn't know enough about the Post Office in order to engage in it, because it was only about four months after I was named Postmaster-General, and all I knew was, "Look, this is ridiculous for you to recover eight per cent of your costs in a given application. You know, let's put it up a hundred per cent and maybe we will get sixteen per cent of our costs back and so on." I mean this is the kind of relative...

The Chairman: Did you not make something along the lines of this as a suggestion before the Senate Committee?

Mr. Kierans: This is right, yes. This is right, Senator, but this was no time for me to put this forward as a proposal.

The Chairman: In other words, you threw it out as an idea?

Mr. Kierans: Oh, yes, as an idea, as the ultimate solution of the problem. It's the only way. You see, people think of the Post Office as being in the communications business.

Well, you are in the sense that you are a carrier, but you are really a transportation system more than anything else. As some of you here pointed out, we no longer even have our own Canadian postal magazine for our own employees at the moment; so we are not really in the business of communications ourselves, as people.

We are individuals transporting other people's communications, and that's the way we have to look at it. You know, the Post Office has no business making judgments on what it is that is being transported or the value or the virtue of this or that magazine as against another. It is in the business of recovering the cost of transporting what other people write or communicate.

Some other Department of Government should be in charge of this kind of allocations or should be in charge of assessing. You know, we divide up our classifications in second-class—within second-class: newspapers; metropolitan newspapers are different from rural newspapers. Weeklies are different from dailies. Some kinds of magazines are more valuable than others, but my God, you know, it's not for a mechanic like a Postmaster-General to make that kind of judgment.

Somebody has to decide what is it that this country wants and, you know, what are its cultural objectives.

Senator Everett: And yet on the other hand, you did make that judgment. Is it not a fact that certain magazines if published by profit-making concerns in the publishing business enjoy a second-class rate, but the same magazines if published by an association or non-profit organizations suffer a third-class rate?

Mr. Kierans: No, if a magazine is of particular interest to a particular group, and published by a group, a particular group, we feel that that group, whether you are Methodist or Catholic or Presbyterian or interested in welfare or interested in health or interested in education or the boy scouts as against the paraplegics—that the people in this group should have the responsibility of publications that are not of general interest, and therefore the people who are supporting a particular effort, like, you, Senator, may support the Red Cross. I may think that the War Amputees or the Boy Scouts, but these are particular objectives, and that these should not be a burden on the general, taxpaying public. They have no claim as such; whereas

papers that are of general interest for the general public, according to the definition adopted by the House, fall into the pure second-class category, because everybody was getting into the second-class.

Mr. Fortier: Oh, but, sir, I would say that this evening in your brief you made a very strong plea in the second part of your brief for exactly that category of magazine, the special interest magazine. We are moving from the general media to the special media, and as a result of those revised postal rates now, those special interest magazines unless they qualify under the regulations, are taxed more than their colleagues who still benefit from second-class rates.

Mr. Kierans: What I cited here were the young as a classification, the ethnic groups, and all of these people are in the second-class. What is not in the second-class is the magazine *Canadian Welfare*, for example, because it is of interest to people who are interested in welfare. For example, we recognize the Red Cross as being of general interest, but we do not recognize particular branches of the Red Cross. You know, the Ottawa branch of the Red Cross goes into third-class; whereas the Red Cross as a whole is of general interest to the general public.

Now, look, I am not happy with the classification, and this is why we say that, you know, the publishing industry itself, which knows this business inside-out—that there is so much that we carry in these bags here and so much that you sort.—Maybe if I wear another hat, I would be glad to take part, you know, but not if I am Postmaster-General, you know, because there is a conflict of interest there, but I would be glad to take part, but it's a tremendous problem, but this is not our problem in the Post Office.

Mr. Fortier: You were not making a case for the special interest magazines?

Mr. Kierans: No, no.

Mr. Fortier: No, like *The Medical Post*, for example—you know, that's a special class of people that has to be kept abreast of developments within their profession.

Mr. Kierans: Sure, and they have a very good medical magazine.

Mr. Fortier: Yes, published by Maclean Hunter.

Mr. Kierans: But I am not a doctor and never read the medical magazine and why the hell should I pay for it?

Mr. Fortier: Exactly.

Mr. Kierans: I mean, the doctors themselves, I think, are rich enough to pay for it.

Senator Everett: I don't know if I am right on this, but it seems to me, looking at your rate schedule here that the magazine that is published by Maclean-Hunter, the medical magazine, goes at a second-class rate.

Mr. Kierans: It is a commercial proposition.

Senator Everett: That's right.

Mr. Kierans: Fred, do you want to dilate on this?

Senator Everett: And the same magazine or a similar magazine produced by the Canadian Medical Association goes at a third-class rate.

Mr. Kierans: Because they are a particular group, you know, with particular subjects of interest to particular people.

Senator Everett: But with roughly the same circulation, I suspect.

The Chairman: Would you like your associate to say something on this?

Mr. Kierans: Yes, Fred, do you want to say something? You can take Maclean-Hunter's.

Mr. Fred Pageau, Director, Postal Rates and Classification Branch, Post Office Department: Yes, I think that the point that you made on the medical paper—the Minister has made the point, for instance—I am going to use his own words. At the time, he received *The Economist* which is a specialized publication because he belonged to that association, and he feels that he should support it because it is published in the interest by the association. This publication is ancillary to the association itself, and this is definite; whereas Maclean-Hunter gets into the venture of publishing as a private industry. This is where the difference has been made, and the same difference has been made for all association publications.

Mr. Fortier: Yes, but who say that they are in direct competition with the business publications, and now they are put at a disadvantage.

Mr. Kierans: This is quite right. You are quite right.

Senator Everett: But as you say, you are not happy with that situation anyway.

Mr. Kierans: We are not happy with that distinction, and we are not happy with the distinction because it's not refined enough made the second-class itself. If you leave out the people that we put into the third class, which is quite a group to leave out, but there is a case that can be made for papers.

A valid distinction, you know, can be for those that have a tremendous rural population, and they are hit unduly, and there is all of these sorts of refinements in there.

Senator Everett: But what about the distinction that I believe exists between a weekly and a semi-weekly? As I understand it, a weekly is entitled to the under ten thousand circulation and under certain circumstances is entitled to the twenty-five hundred free zone, and I think it pays the magazine rate, five cents and two cents apiece when the new rates go into force.

On the other hand, the same semi-weekly, under the same conditions with the same under ten thousand circulation is classified as a daily.

Mr. Kierans: That's right. We have to draw the line somewhere. You have tri-weeklies, you know. You have four-weeklies and so on. We make the distinction between the weeklies. Again, you know, it's a bludgeon. I admit it.

Senator Everett: Well, I was just thinking that prior to the amendments or the rate increase, I believe that all daily newspapers that were under ten thousand circulation and fitted these requirements had the twenty-five hundred free zone. It seems to me that you have made all sorts of judgments.

Mr. Pageau: Excuse me, not the dailies, Senator.

Senator Everett: Not the dailies?

Mr. Pageau: No, not the dailies, the rural weeklies—we call them weeklies and this is as a result of tradition set by Parliament. Free zone or free mailing of twenty-five hundred copies in a radius of forty miles has always been granted by Parliament, and this goes back to about 1875, and this has been routine; so now what has been done throughout the years is that you have removed the copies going to the letter carrier because you had too many weekly publications which were not actually rural weeklies, which the

House has always paid peculiar attention to the farm weekly, and they were publishing outside a large city; so they did send their copies to the cities. A large metropolitan area is free, and this is one reason, but they continue to enjoy the same free zone privileges that they had before, but the tri-weekly never had these privileges.

Senator Everett: And the daily did not?

Mr. Pageau: The daily did not, nor the three-weekly.

Senator Everett: They had a preferential rate, though, did they?

Mr. Pageau: Yes, they had a rate. Now, they pay the same ratio under ten thousand, yes.

Mr. Fortier: Those bi-weeklies are now considered as dailies?

Mr. Pageau: Yes.

Mr. Fortier: I think I have to ask the question:—I realize that you have to make value judgments which in the end may be arbitrary, but on what basis did you eventually decide?

Mr. Kierans: Arbitrary.

Mr. Fortier: That's a value judgment.

The Chairman: Mr. Kierans, what consultation did you have with the media before imposing the new rates?

Mr. Kierans: Well, you know, we did what we normally do. If we had gone to the media—we had three classic examples; so let's say that the media themselves had three warnings. One was in 1951 the Government of the day wasn't happy, and it proposed some rather generous increases or large increases in the second-class rates.

I guess we learned everything that we really wanted to learn about the views of the publishing industry in 1951 because despite the fact that the St. Laurent Government had a very large majority at the time, it, you know, withdrew and so watered down the legislation that in fact, as I have said in here, it meant virtually nothing. The Pearson Government made an attempt in 1964. Mr. Pearson didn't have the large majority that Mr. St. Laurent had enjoyed. He had a minority government, and again we had the benefit, shall we say, if you want to look into it, of the views of the publishing industry, which were roughly a repetition of what they had

been in 1951. Similarly, Senator, you will remember as recently as 1967, they gave the publishing industry an opportunity to express their views about such a disastrous thing as even saying fifteen or twenty per cent of the cost of carrying their publications; so that I think that it wasn't really that necessary to invite them to come and say, "This is what we propose to do, boys. What do you think?" because we already had it.

The Chairman: Is the story apocryphal that you saw them the day that you introduced the Bill; that you asked a group of publishers to go down and make a speech, and then they discovered that the speech was, in fact, a speech?

Mr. Kierans: Oh, yes, I would think that's apocryphal, Mr. Chairman. I don't think I saw them until days afterwards. I mean, I had a 'phone call, I guess, the next day. As I say, the mail must have been very good. The first 'phone call came from Winnipeg.

From the Floor: Perhaps they heard it on the radio.

Mr. Kierans: Well, they knew all the details of the Bill for some reason or another.

The Chairman: Senator Everett.

Senator Everett: Well, as I read you then Mr. Minister, you are not happy with these arbitrary rate break-downs.

Mr. Kierans: That's right.

Senator Everett: And that you are suggesting that the situation that confronts the reader of these magazines be rectified. Would it be rectified by a subsidy to the Post Office from Parliament?

Mr. Kierans: Yes, in return for which the Post Office would agree to keep its rates less than the full cost.

Senator Everett: Yes.

Mr. Kierans: Yes, that's right, but the again that doesn't really solve the major problem, about which I am unhappy. It is the problem that nobody here in the Post Office enjoys making these judgments and playing God or we don't think it's sufficient for Parliament to award a grant of x-millions of dollars to the publishing industry. We think that Parliament and parliamentary committees better go, you know, "au fond de la chose" and be much more precise in how to direct the distribution of that money.

Senator Everett: Yes, and what you are suggesting is that the whole shift and change that took place during the rate increase be overhauled in this particular way, so the publishers, presumably, would have a new opportunity to make representations and the whole thing would be gone into all over again.

Mr. Kierans: That's right. It can be refined a great deal. A great deal can be refined.

[Translation]

Senator Langlois: Mr. Minister, you have just said that this subsidy—if such a subsidy were to be paid—should first be given to the Post Office which would in turn allow rate reductions. Would this not be unfair to newspapers which used your postal services to a lesser extent than others?

Mr. Kierans: Yes, that's right, and I would prefer, that someone other than myself make such judgments.

Senator Langlois: But what if the subsidies were not paid by the Department, what if they were paid directly to the newspapers?

Mr. Kierans: If the government were to decide on such a policy, so much the better. We would charge the exact rates, and at a given time the government, or a government committee, a council, commission or what have you could decide that such an amount should be paid to such a newspaper. Now that would be a bind.

[Text]

The Chairman: Are there other questions? Mr. Fortier?

[Translation]

Mr. Fortier: Mr. Minister, I come back to a question that the Chairman asked you a little while ago. It concerned the way this rate increase was handled. One of the complaints that we have heard today, and which I am sure you have heard many times, concerns the fact that the rates were not raised gradually as is being done in the United States. Would you comment on this question?

Mr. Kierans: Yes, but I have already given the reasons. There had been no significant increase since 1961. A fairly large increase was necessary—and what good will that do us? If around 8 percent of cost is taken as income, the percentage is going to be increased by half, and that means 12 percent of our costs. That's why the increases were so large.

Mr. Fortier: As you know, several newspaper owners have answered that by saying: "We have 3, 4, 5 and ten year subscriptions." So they say that it is impossible for them to recover from these subscription holders the increased costs created by these higher rates.

Mr. Kierans: Yes, but my answer at the time was that this had been expected since 1951, at least since 1964 when the Pearson Government tried to do it.

Mr. Fortier: Expected since June, 1968 when you came in with a majority.

[Text]

The Chairman: Senator Macdonald?

Senator Macdonald: There is one question I would like to ask about first-class. As I take it from your remarks, first-class mail now pays its own way?

Mr. Kierans: Yes, there is a slight surplus there. We don't use the nasty word "profit".

Senator Macdonald: Is the Post Office Department paid for the mail sent out by the various departments of Government and by members of the Senate and the House of Commons under their frankage?

Mr. Kierans: The charge is in there. The charge is in there.

The Chairman: Mr. Fortier?

Mr. Fortier: This afternoon, the Canadian Business Press, as I mentioned earlier, came before the Committee, and I would like to read you one paragraph in their brief, Mr. Minister, and ask for your comments, because we consider that it is topical and requires an explanation.

They said in paragraph sixteen:

"Canadian Business Press considers that the extreme importance of Canada's business publications for the Canadian business community warrants their inclusion under statutory rates, the same rate as that granted to publications such as *Time*, *Reader's Digest*, as well as other Canadian general magazines."

Would you care to comment on that?

Mr. Kierans: Oh, yes, you see, again, you know, there are national interests there. There are extreme nationalists. There are people against foreign investment. There are people that are for it and so on.

The Chairman: What's your position on these things?

Mr. Kierans: I have got enough to handle with you now. Look, as far as we are concerned, you know, it weighs so much. For us, it's a transportation business. We have put that class, '*Reader's Digest*' and *Time*—they are in the class of magazines like *Maclean's* and like hundreds of others. But as a class, we have said, "Well, look, all that we can recover right now is about one-third"—I think it comes out to that exactly—to just about a third of our costs. And again I don't know which is which here as between *Time Magazine* and *Reader's Digest*; but we recover 32.7 per cent from one of them and 34.3 per cent from the other one. It comes out between the two and this is with the change to shape and weight and so on—and these are the things to be taken into consideration. They are dead on the line in the class, and that's the only judgment we make.

Whether there are a million Canadians that hate the guts of these newspapers, that's not our affair. That's what it cost to carry the magazines in that class.

Now, if somebody wants me as Postmaster-General to discriminate against *Maclean's* or '*Reader's Digest*' or against '*Time Magazine*', okay, Parliament can direct me to do it, but until they direct me to do it, I am not going to do it. I am treating it as something that weighs so much, and I am in the transportation business of getting it from one point to another.

Mr. Fortier: Are you influenced in reaching that decision by the decision which Parliament took back in 1961 and which brought about the exclusion of '*Time*' and '*Reader's Digest*' from the provisions of Section 12 (a) of The Income Tax Act? Did you take that into consideration; that Parliament had once spoken?

Mr. Kierans: Well, as I said, during the discussions, I took a stand because I said, "Look, if the Cabinet wants to make a clear decision, and wants to change the definition, in this particular field as to how these two magazines should be treated, that's up to you to decide".

As far as I am concerned, the way the Bill was drafted, this was the definition that I wanted. I would have accepted whatever definition my colleagues set, and I didn't press my own nationalistic or non-nationalistic views at that time.

The Chairman: Would you be interested Mr. Minister—yes, you said at page thirteen

in your brief—you talked about changing caps and not speaking as a politician or as a Minister of the Crown, but simply as an observer. Would you care to answer that question as an observer, not as a Minister of the Crown?

Mr. Kierans: No comment. No, there are general discussions going on, obviously about Canada's attitudes towards foreign investment, foreign ownership of all these things. I don't want to get involved in another NATO debate right now.

The Chairman: All right, there are some Senators' questions remaining, but I think if I sense this session, that we are coming perhaps to the time when we can usefully terminate; however, Mr. Fortier, you have a question. Senator Everett has a question and if other Senators have questions, I am really not trying to limit the discussion and they can prepare themselves, but let's have Senator Everett first.

Senator Everett: Yes, this will be my last question. In our research, I read you a paragraph, which goes as follows:

"Only distribution in the rural districts and mail handling for the rural districts occurs on Saturday. Publishers must mail through registered post offices. First-class mail precedes second for sorting. Newspapers often are overlooked on Friday and so do not reach their destination until Monday or Tuesday."

Could you tell me, Mr. Minister, whether (a) this true; (b) what your comments on it are; and (c) whether you believe this Parliamentary subsidy should include an amount of money for the improvement of this sort of service?

Mr. Kierans: Well, actually, the reason why we kept—which I think will answer all three aspects of the question—the six-day week in the rural areas was this, you know, this psychological phenomenon. On the basis of looking at it as a first-class proposition, there is no more reason to have or not much more reason to have a six-day week in the country than there is in the city because the Aunt Sadie letters and so on do not bulk that large in the psychology of people these days.

There are all sorts of other means of communication—telephones and all the rest of it but what is extremely important in the rural areas is the reception of the weekend newspaper—of the Saturday and Friday newspaper.

because it's a sociological problem. This is what they want to read and this is what they read at the weekend.

Senator Everett: And this statement makes the point that they are not getting that.

Mr. Kierans: Well, to the extent that they are not getting it, and I don't know—this is your research and I would certainly say that it's probable—there is a lot of judgment and justification and substance behind this, but if I may say, it's really a complaint against the efficiency of the service at the moment.

Now, what we normally do in cases like this—if we find out that in Temiskaming or in far-off rural points, that there are complaints that they don't get their mail and their newspapers on Saturday afternoon, well then we in that case find out and rectify it, but we don't know until we know the precise point whether it's Bear Point in Nova Scotia or any other point or Amqui in Quebec, and we rectify it because the objective, certainly, Senator, is to see that they get those papers on a Saturday afternoon. That's the whole purpose of the process, and as a matter of fact, I can even go more than that and say this—that if the mail truck started out on a rural route and delivered only the first-class mail and left behind the second-class mail; that is to say, the newspaper, we would have an awful lot more trouble with the drivers on that route because they are not really interested in their hydro or telephone bills. They are much more interested in the newspaper, and actually as a practice, the first-class mail, which is relatively light in rural areas, is often sorted and ready long before the newspaper arrives, but the truck doesn't go out until the newspaper, *'Le Soleil'* or whatever the newspaper is, comes in. As I say, that's the objective, and this is the way it works in the vast majority of municipalities and rural routes. In other words, that fellow goes out, and he has on his two or three hundred calls, sixty or eighty calls or whatever it may be in that rural route, when that particular regional paper comes in. He doesn't go out when the first-class mail is ready at nine o'clock in the morning.

Senator Everett: Thank you very much.

The Chairman: Mr. Fortier?

Mr. Fortier: One last point—Mr. Minister, it has to do with the imbalance of U.S.-Canadian publications flowing across the

border which result in a deficit in excess of three and a half million dollars.

Have you considered the imposition of an annual license fee to U.S. publications, similar to that which is being considered in Japan at the moment?

Mr. Kierans: Is Japan considering that?

Mr. Fortier: I know you cannot at the moment, but have you considered discussing it at the international level?

Mr. Kierans: No, the only thing that we are working and Fred was in Japan—I don't know. How long were you there?

Mr. Fortier: That's what they call slow mail.

Mr. Kierans: And he can tell you exactly what happened, but what Canada did get—how many are there—a hundred and sixty-seven countries? No? A hundred and forty-three—all right. The only way we could do what you suggest and I would dearly love to do it, but we would be out of the business—there would be a hundred and forty-two other countries, and we would no longer be members of the International Postal Union. A hundred and forty-two other countries would be at perfect liberty to put whatever terminal charges on whatever Canadians sent anywhere in the world; so that's the answer to it.

What Pageau and others with him did—Pageau was the continuing delegate there—accomplish is that the imbalance between the States and ourselves, is we finally got through to the other hundred and forty-three nations, that this was a particular Canadian-U.S. problem, and they gave us permission to try to work out some sort of bilateral arrangements.

Mr. Fortier: Actually it would be throughout the world now. We will get some compensation for the mail which we receive in surplus of what we dispatch?

Mr. Kierans: In certain instances of first-class, yes. We accept mail that comes in to Canada over what is dispatched to a given country.

Prior to these past meetings in Tokyo, the other nations of the world really weren't interested in the problem. There is a peculiar relationship here. It does exist in Europe between Holland and some of the other European countries, because Holland is really the known world publishing centre, and it does

an awful lot of printing and publishing in Holland that it sends back into Belgium, Germany and France and so on, but by and large the other nations couldn't care less.

The Chairman: Mr. Minister, you may be interested to know that while we were discussing this tonight, the Maple Leafs tied the Canadiens, 3-3 in Montreal, and you will have to use your own judgment whether or not this is a draw.

You know, one of the questions I have been asked most frequently by the press, recently, outside of this room is:—"What have you learned so far?", and I really take that question under advisement, and I don't answer it. But one thing I have learned so far is to sense the interest and the attention of my colleagues, and I can assure you that I am able to sense them well enough to know that interest this evening has been intense. I only add, in closing, that we may well take you up on the offer contained in your brief. It's just possible that this Committee will ultimately have either recommendations and/or ideas to present to you, and we will welcome the opportunity of doing so. I know I speak on behalf of the full Committee when I say how grateful we are. We know that Wednesday is a night off for you. We are grateful for your coming and giving the time to prepare the brief and I am sure, that—if I may put words in your mouth—if we wish perhaps not to see you again, but to talk to you again, before our ultimate report—I am sure that you would be available.

Mr. Kierans: I would be delighted, Mr. Senator. May I add just one last word? I think I said a couple of minutes ago or perhaps half an hour ago—one of my colleagues here had handed me a paper, and I said, "I think this is what he is saying here", and then didn't proceed to read the paper.

I am going to read what he said simply so that all of you here, you know, might get some idea of the spirit that animates the post office. I will just read what he said, relevant to a question that Senator Everett had raised:—

"In our cost assessment, pre-sorting and handling is taken into account. The regulations require publications to do a certain amount of handling. This is normal procedure",

and this is the spirit of the Post Office that I leave with you. If Malone considers that he can deliver his paper for a few cents, let him do it himself.

The Chairman: Before we adjourn, may I say to the Senators that tomorrow all the meetings are in this room. Tomorrow evening at 8.00 p.m., Maclean-Hunter Business Publications; tomorrow afternoon at 2.30 p.m. Maclean-Hunter Limited; tomorrow morning at 10.30 a.m., Southam Business Publications Limited. I was working backwards for a purpose. The first meeting tomorrow, because we are not sitting on Friday, is 9.30 a.m. when our witness will be Mr. Louis Martin, a freelance journalist and broadcaster from Montreal. Thank you.

The Committee adjourned at 10.30 p.m.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE
SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 19

THURSDAY, FEBRUARY 12, 1970

WITNESSES:

Southam Business Publications Limited: Mr. James A. Daly, Director and Vice-Chairman of the Board; Mr. Aubrey Joel, President and Managing Director; Mr. Don Quick, Editor, Engineering and Contract Record; Mr. Tom Davey, Editor, Water and Pollution Control.

Maclean-Hunter Limited: Mr. Donald G. Campbell, Executive Vice-President, Broadcasting and Finance; Mr. J. Lindley Craig, Executive Vice-President, Business Publications; Mr. Ronald A. McEachern, Executive Vice-President, Consumer Magazines; Mr. Gordon J. Rungay, Magazine Circulation Division; Mr. Lloyd M. Hodgkinson, Director.

Business Publications Division, Maclean-Hunter Limited: Mr. J. Lindley Craig, Executive Vice-President, Business Publications Division; Mr. George W. Gilmour, Vice-President, Business Publications Division; Mr. John Downey, Manager and Editor of *Home Goods Retailing*; Mr. C. Frank Turner, Manager of the Editorial and Arts Services.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, *Chairman*

The Honourable L. P. Beaubien, *Deputy Chairman*

Beaubien
Bourque
Davey
Everett
Hays

Langlois
Macdonald (*Cape Breton*)
McElman
Petten
Phillips (*Prince*)

Prowse
Quart
Smith
Sparrow
Welch

(15 members)

Quorum 5

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—

Resolved in the affirmative.

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

THURSDAY, February 12, 1970
(19)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.30 a.m.

Present: The Honourable Senators: Davey (*Chairman*), Beaubien, Everett, Langlois, Macdonald (*Cape Breton*), Petten, Smith and Sparrow. (8)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. James A. Daly, Director and Vice-Chairman of the Board, Southam Business Publications Limited;

Mr. Aubrey Joel, President and Managing Director, Southam Business Publications Limited;

Mr. Don Quick, Editor, Engineering and Contract Record;

Mr. Tom Davey, Editor, Water and Pollution Control.

At 12.45 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey (*Chairman*), Everett, Langlois, Petten, Smith and Sparrow. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing *Maclean-Hunter Limited*, were heard:

Mr. Donald G. Campbell, Executive Vice-President, Broadcasting and Finance;

Mr. J. Lindley Craig, Executive Vice-President, Business Publications;

Mr. Ronald A. McEachern, Executive Vice-President, Consumer Magazines;

Mr. Gordon J. Rumgay, Manager, Magazine Circulation Division;

Mr. Lloyd M. Hodgkinson, Director.

At 5.15 p.m. the Committee adjourned to 8.00 p.m.

At 8.00 p.m. the Committee resumed.

Present: The Honourable Senators: Davey (*Chairman*), Langlois, Macnold (*Cape Breton*), Petten and Sparrow. (5)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses, representing Business Publications Division, Maclean-Hunter Limited, were heard:

Mr. J. Lindley Craig, Executive Vice-President, Business Publications Division;

Mr. George W. Gilmour, Vice-President, Business Publications Division;

Mr. John Downey, Manager and Editor of *Home Goods Retailing*;

Mr. C. Frank Turner, Manager of the Editorial and Arts Services.

At 10.10 p.m. the Committee adjourned to Tuesday, February 17, 1970, at 10.00 a.m.

ATTEST.

Denis Bouffard,
Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Thursday, February 12, 1970

The Special Senate Committee on Mass Media met this day at 10.30 a.m.

Senator Keith Davey (Chairman) in the Chair.

The Chairman: Honourable Senators, if I may call this meeting to order.

I perhaps first of all should put on the record, before introducing the witnesses for this morning, a telegram which Mr. Spears received, although he may not have seen it yet. It is from Louis Martin:

"Dear Sirs,

Sorry cannot be present this morning. Could not leave Montreal because of storm."

So on behalf of Mr. Martin I apologize to the Senators and others who have been here.

Now, we continue our study today of the business press. We will be hearing this evening from Maclean-Hunter Business Publications Limited. This afternoon we will be hearing from Maclean-Hunter Limited and now from Southam Business Publications Limited.

Perhaps I could introduce the people who are with me.

On my immediate right is Mr. James Daly, who is Chairman of the Board for Southam Business Publications Limited.

On my immediate left is Mr. Aubrey Joel, whom I am sure some Senators will remember from yesterday. Mr. Joel is the president and managing director of Southam Business Publications Limited.

Mr. Joel has also brought with him, in case Senators wish to direct questions, two representative editors. On the extreme left is Mr. Don Quick who is the editor of Southam Business Publication's *Engineering & Construction Record*.

On my extreme right is Mr. Tom Davey, whose name is spelled as is mine. To his relief, I am sure, we are no relation.

Mr. Davey, your publication is...

Mr. Tom Davey, Editor, Southam Business Publications Limited: *Water & Pollution Control*.

The Chairman: So we are very grateful to you, Mr. Daly, for bringing editors as well.

Now, in compliance with our request, we did receive the brief you were kind enough to prepare. We received it as requested three weeks in advance. It has been circulated to the Senators. It has been presumably studied by them and I am now able to offer you as much as 15 minutes—you need not feel you must use all of that time, but certainly it is available—to expand upon your brief, explain it, amplify it or say anything else which may be on your mind. Then we will turn to the Senators whose questions will deal with the written brief and your oral statement and perhaps other things which may be on their minds.

Mr. James A. Daly, Vice-Chairman of the Board, Southam Business Publications Limited: Thank you, Mr. Chairman.

Honourable Senators, we are happy to have the opportunity to appear before your Committee and we intend to deal very briefly with the problems that we have discussed in the brief, amplify one or two points and to answer your questions as fully and as frankly as possible.

In discussions with your Chairman, he has indicated to me that one of your prime interests is in our relation with our parent company and we shall go into that on whatever detail you wish.

I think I am particularly qualified to speak in that area since I was with Hugh C. MacLean Publications and I was president of the company at the time the company was acquired by Southam Press and up until last

September, I served in that capacity and know quite well what our relationship has been as a wholly-owned subsidiary of the parent company.

Also I noted yesterday that you were particularly interested in the question of editorial background. I started with the company as an editor and know what the situation is from the editorial side of the desk as well as from the management side.

With respect to present day editorial conditions, we have two of our senior editors with us who will be happy to answer any questions and Mr. Joel can speak on present day operating conditions and speak with full qualification.

We do publish business magazines as our primary job but we have gone into many other areas of communications, some of which may not be of concern to your Committee and some of which may be. These include services such as daily building reports published in French and English from Montreal; they are published daily also in Winnipeg, Calgary and Edmonton; statistical surveys such as *Canada Data*, based upon those reports; direct mail services; and English-French technical translation services. Trade shows are also an increasingly important aspect of our operations.

We publish—and this question was directed yesterday to the Association—not upon a monthly basis only. Some of our publications, the *Daily Oil Bulletin* in Calgary, are daily. Our building reports are daily. Some of our publications are weekly, such as the *Journal of Commerce* in Vancouver. Some are semi-monthly, some are monthly or bi-monthly. We publish a number of annuals, 15 of those to be precise; so frequency of communication in the business press depends upon the area to be served.

Now, the history of our company, as I say, goes back to the very beginning. We were coming up the steps here this morning and I was reminded that there was a picture of a delegate to the first convention of the Canadian Electrical Association held on the steps of this building in 1901, and that association was organized in the offices of our publication, *Electrical News and Engineering*.

Several of our publications in the lumber and construction field go back 20 and 30 years before that. Then many of our publications

have been established since World War II, a greater specialization occurred in the Canadian industries and professions.

We have acquired publications by purchase. We have started them from scratch. Many avenues have been pursued. The publications have one thing in common that really describes all business publications.

While we are specialist publications, that is also true of photographic and boating publications and so on. Our specialized publications have in fact the common factor that they concern the reader's ways and means of earning a livelihood whether he is a grocer, an architect, a professional engineer or what-not.

I have outlined in the brief—I will not go into it in detail here—our relationship as a wholly-owned subsidiary of Southam Press. We have our own Board of Directors and named them for you as well as our own group of officers. I think you will be interested to know the majority of those officers, considering your questions of yesterday, come from the editorial side of the business to management rather than from the advertising side.

I would comment briefly on our degree of operating autonomy. We have had, from an editorial point of view, complete operating autonomy.

When we have dealt with controversial issues such as the Come-By-Chance refinery in Newfoundland or the Columbia River Treaty—in both instances, our publication published the first articles which led to a great deal of discussion on those two subjects in the general press and in Parliament—and when complaints about our attitude have been directed to the head office of Southam Press, they have invariably been referred to us as operating management for what action we see fit.

In the period we have been associated with Southam Press, first of all as a majority-owned subsidiary and then subsequently as a wholly-owned subsidiary, we have never received any indication from Southam that we should treat a matter in any one way editorially, pro or con.

From an operating point of view our position is relatively simple. We extend the same editorial independence to our editors, trying to choose competent people, well-versed in their field and then give them the right to speak.

Obviously we cannot speak in 40 different areas from a central point of view; we give them the right to speak on the controversial subjects in their fields, encourage them to secure authoritative opinions and when there is a difference of opinion, encourage them to publish both opinions.

When we pull a blooper, we publish a retraction. When an advertiser tries to exert pressure though and we feel we are in the right, we do not publish any retractions for that reason. There have been occasions when an advertisement has been threatened to be withdrawn or has been withdrawn for these reasons. But these are becoming fewer as the years go by. More advertisers are becoming more sophisticated. They have a higher regard for the quality of business press and they are becoming sophisticated to the point they know what they are buying is not a puff in the editorial pages but readership of people who may buy their goods or services.

There is one area I would like to touch on particularly which I touched on briefly in my brief. This will only take a couple of minutes and that is the postal situation, especially in view of Mr. Kierans' remarks of last night.

The Chairman: Were you here for those remarks?

Mr. Daly: No. I read them this morning. I read the report of the question period also but I am going from his written remarks.

The Chairman: By all means.

Mr. Daly: We quite sympathize with Mr. Kierans' problem and his desires, which are in accord with the recommendations of the Massco Commission, to make the Post Office self-sufficient body.

However, it has inequities which disturb us in the business publication field. Some of them date before Mr. Kierans' time and some are the result of his change of regulations.

First of all, the total increase, which cost our company in excess of \$300,000 last year in increased postal costs, was assessed on the business publications in one fell swoop. The newspapers had a three stage introduction to

Secondly, we are paying at the regulatory rate whereas *Time*, *Reader's Digest*, *Daily Commercial News*, all types of U.S. owned publications, not bona fide Canadian publica-

tions, are paying at the lower second-class statutory rate.

Now, it costs no more for Mr. Kierans to transport a copy of the *Canadian Metal Working Production* than it does for a copy of *Time Magazine*. It should be no concern of the Post Office whether a publication is paid for by a subscriber or whether it is qualified circulation.

The paid-for publications, many of them, without being specific in this regard, have dubious methods to maintain paid circulation in some cases.

In our case, and in the case of other business publication companies, you cannot subscribe to one of our publications, such as the *Canadian Architect*—and I am sure the same is true of other companies who appeared before you—unless you are qualified to receive it, unless you are an architect, interior designer, draughtsman or student of architecture and so on.

The other inequity Mr. Kierans has taken steps to correct—we have been pressing him for a couple of years on this now—is the \$7½ million which he has been dumping into the accounts for second-class mail for the carriage of U.S. publications and the so-called mail in Canada, publications such as *Life* and so on.

In his statement last night he said he was taking that out of the second-class accounts and that is all to the good.

The next stage there, of course, is to get a balance with the United States and I understand from a senior official in the Post Office that they have reached an agreement with the United States and other countries that will come about in the next 12 months and there will be applied to second-class mail of that nature some balance such as is now done with 4th class parcel post mail. So that will be all to the good. That will clear that much out of the way.

Other than that, sir, I really have not anything else to add. I made notes yesterday of things to discuss like advertising, editorial ratios and so on, compensation of the business press and this, no doubt, will come up in the questions.

The Chairman: It may come up in the questions. I thank you very much. The only thing I would like to add to what I have said ear-

lier, Mr. Daly, is if you wish to direct any of the questions that are put to you to any of your colleagues, by all means feel free to do so.

Mr. Daly: I will do that, sir, and one word I would add. You asked the question yesterday. I was going to say I would explain my own editorial background.

My counterpart at Maclean-Hunter for many years, when I was president of Southam Business Publications, was Mr. Floyd Chalmers, who is now chairman of their board, and that is what happens to two old editors anyway.

The Chairman: No comment at all! I think Senator Smith was going to begin the questioning this morning.

Senator Smith: Mr. Chairman, I think it is easily understood that there will likely be somewhat of an overlap of the areas of questioning because we have had a couple of cracks at this subject yesterday and another one today. There are some general questions that I would like to have your comments on.

Perhaps the first subject I might touch on is the apparent difference of opinion, the conflict of opinion, there is between your views, the views of Southam Business Publications, with the views in the brief which were given to us yesterday on the subject of the acceptance, and in fact perhaps the welcoming, of material sent to the business publications, in general, by public relations people.

Your brief this morning indicates that your opinion of it is that it is "superficial"—that is a quote. Can you satisfy the conflict that there may be between the organization of editors and your views on that particular matter, because I might say your views coincide pretty well with the views I have heard expressed by the daily newspaper industry.

Mr. Daly: Well, what I am saying, of course, is the opinion of our house and particularly my own opinion, and experience as an editor. Much of what is ground out by the public relations organizations is superficial, particularly for our highly technical publications. They obviously have not got qualified people on staff that can talk in the same language as an electrical engineer or architect or whatever. Some of it is useful. Most of it requires editing, re-writing and follow-up to get sufficient information to be of interest to the reader.

Our organization, the Canadian Business Press and Business Press, Editors' Association to which we belong, and support their general objectives, contain many conflicting points of view.

We often differ on things and there may be in some cases, in such a brief as yesterday, a tendency to express the lowest common denominator; but that is my individual opinion of much of the press released which we receive.

Senator Smith: That is good enough, Mr. Daly.

I would like to ask you perhaps more than one question on the subject of the threat—I think that was the word that was used by one of the witnesses yesterday—of the data retrieval systems which are now being organized on this continent.

Do you feel that is a rather important threat to your own company?

Mr. Daly: Yes. It is an important threat to the business magazine publishers and so is the effect of copying machines.

Senator Smith: Yes.

Mr. Daly: These electronic and more sophisticated devices are causing a large company to take material from a magazine and photostat it, circulate it around and so on and the information retrieval things can conceivably be done the same way.

Take our *Canada Data* series for example—the construction volume costs and so on. We sell the information and we sell it computerized. You can either have it on punched cards or magnetic tape or whatever you wish.

There is nothing to stop someone from taking our information and feeding it through several of their sub-agencies, libraries or whatever, under the present laws.

Now, there is an investigation, I believe with a commission looking into this question in the printing industry and publishing industry and so on. It is a question of copy-right and what can be done to offset some of these things.

Senator Smith: That is, insofar as the copy right part is concerned?

Mr. Daly: Yes.

Senator Smith: That is one area. The other area is the threat of direct competition for

information which you may have to face when this new technology becomes more generally used.

Mr. Daly: Personally, I do not see it in the next generation because the cost of programming that information in specialized areas, such as highway engineering or something else, would be much higher, in my opinion, than the cost of running an adequate, useful, editorial programme.

Senator Smith: What about this—I suppose it is more than proposed, it is now being organized—Construction Data Services under the auspices of the Department of Industry, Trade and Commerce. Is that going to be embarrassing to your volume of business? I was thinking about the daily reports which you have been putting out for some years.

Mr. Daly: Well, we think it is an area that here is no need for government to go into. If industry wants it, private industry can provide it, and if industry wants it, they are willing to pay for it.

However, for many years the Dominion Government—if that is still the correct expression—carried on a service similar to ours, but our service was available at the end of each month. Theirs was always a year late, so if they operate the same way as they have done in the past, it would not be a threat to us.

In fact, government departments subscribe to our service, federal departments and provincial departments.

Senator Smith: Has the business press made representations to the Department of Industry, Trade and Commerce on this particular subject?

Mr. Daly: I do not know whether there has been direct representation or not.

Mr. Aubrey Joel, President and Managing Director of Southam Business Publications Ltd.: Yes, there has, Senator. I have visited the Department of Commerce on this subject in connection with their announcement of their projected BEAM programme—"Beam" standing for building, equipment, accessories and materials—which has several different facets to it. Naturally, we are very keenly interested in whether it is going to be developed in that respect and to offer the Department our co-operation with the knowledge and know-how that we have and that

we have accumulated over the years in dissemination of data in the construction industry and in the methods by which the various components in the construction industry require data to be transmitted to them; that is architects, contractors, and building material manufacturers and so forth.

There is, I believe, in Edmonton, the first announcement of the kick-off, if you can call it that, of the BEAM programme being made yesterday or today. Our representatives are in attendance at that Conference and are staying in very close liaison with the Department on the development of the BEAM programme.

I suppose none of us can say, including the Department, just what the success may be of that.

The Chairman: Senator Beaubien had a supplemental question.

Senator Beaubien: No, this is on one thing Mr. Daly said.

Mr. Daly, you said that the change in the postal rates is costing you at the rate of \$300,000 a year.

Mr. Daly: Extra.

Senator Beaubien: Now, if you could enjoy the same rate as *Time Magazine*, what difference would that make to your extra costs? Would it reduce it immensely?

Mr. Daly: I think it would cut it in half because you would have to take the cost of the weight of each publication because they are enjoying a poundage rate. There is a minimum two cent rate in any event, so I think, just as a rough estimate, it would cut it in half, but I would have to ask our accounting people to get an estimate.

But the other thing that we think is this, the post office people have told us in numerous visits to Ottawa over the past years, that the cost of handling a publication is 4.6 cents. That was 18 to 24 months ago, so let us say it is 5 cents now with the increases in wages and so on.

Our average publication, at least in our House—the others will speak for themselves—pays more than 5 cents in any event because they are thick enough to pay above that rate. So therefore we feel that we are paying our own way.

If there is this deficit with second-class mail, then it must be occurring from other sources, thin publications or the carrying of U.S. publications and so on, and that figure was quoted in the P.S. Ross study which Mr. Kierans quoted last night.

Senator Smith: The ordinary layman, Mr. Daly, does not understand—at least I certainly do not understand. *Time* is printed here. Why is there a difference at all in the cost? Is it because it weighs less? Is it a different rate or a different classification you are under?

Mr. Daly: A different classification because they give the so-called paid publications and the so-called Canadian editions of *Time* a rate lower than the rate of the qualified circulation publications.

This has been a traditional decision in the Post Office for which we see no reason to continue.

Senator Everett: You are not suggesting that you are qualified circulation in many of your magazines, are you?

Mr. Daly: Yes. We are qualified.

Senator Everett: In every case?

Mr. Daly: Not in every case but in most cases. We also have a proportion of paid circulation.

Senator Everett: I would have thought that you have been put into the regulatory rate more because you are not a general interest magazine.

Mr. Daly: No. If you are specialized and paid, you still get the low rate.

Mr. Fortier: If you go over 50 per cent?

Mr. Daly: Yes.

Mr. Fortier: Of the market?

Mr. Daly: Right.

Senator Everett: You don't go over the 50 per cent mark?

Mr. Daly: Well, we do in some, like the *Journal of Commerce*.

Mr. Fortier: Very few of them?

Mr. Daly: Yes, very few.

Mr. Fortier: Is this the only discriminatory aspect of that particular side of the postal increase—that is qualified versus paid—that you are complaining of today?

Mr. Daly: Yes. We think we are paying our way though.

Senator Smith: Maybe I can get back.

The Chairman: We will return to postal rates.

Senator Smith: There is another small area on this data retrieval that occurred to me when I was listening to the discussion on postal rates. From what I have learned from various sources, the medical profession and the legal profession, to give you two examples, have pretty well agreed that their future ability to practice with a full knowledge of all the information there is, information which is growing so rapidly from day to day, depends on a large amount of help from some kind of data retrieval system and that leads me to this question.

Do you think the time will come when the Southam Business Publications might have to think pretty seriously about getting into that kind of business, in order to have the data retrieval available for subscribers who are in the contracting business or in engineering or architect we or whatever these branches may be, that form a large part of your business?

Mr. Daly: Yes sir, I do and we are. We are already into it up to our ears with the contracting field.

Major companies, like cement companies and so on, subscribe and take our material either on punch cards or magnetic tape in exactly that way and they retrieve last year's volume against this year's volume; last year's costs and this sort of thing.

In the medical and legal field, I can't answer for those, but obviously they would be among the first fields that such a retrieval bank would be most useful for.

In some areas when you get down to shop retailing and so on, I doubt if they are going to be able to afford this sort of luxury but we do agree this will come and is coming and is here now in some areas, and will become increasingly important. Because Southam are interested in the total communication field they are interested in this and will be increasingly interested in it, I am sure.

Senator Smith: Well, you are such a large and very progressive company, that is the kind of answer I actually expected.

Now, Mr. Chairman, I would like to turn to something else. It was the subject of some discussion yesterday and at various times and that is with regard to the overflow of American business publications into this country. I suppose it is natural for me to assume that that has a rather substantial effect on your business in general, does it?

Mr. Daly: It does. It is a unique situation where you have two countries speaking almost the same language, side by side, and one is the greatest industrial giant in the world.

Senator Smith: As was pointed out, the growth of the overflow has been slowed down dramatically since the adoption of one of the recommendations of the O'Leary Commission with regard to the income tax technique. Is there anything else that your company might like to see done to reduce the unfair competition from the imported business magazines?

Mr. Daly: Well, I would like to see them paying their own freight, of course.

Senator Smith: Apart from the postal question, because we are familiar with that...

Mr. Daly: The other suggestion that was made yesterday, of considering a licence for magazines coming into Canada, I do not agree with that at first thought. That seems to me a restriction on the freedom of the press.

It is a difficult question to answer. I would not want to restrict the Canadian architect from getting the Italian Magazine *domus* or whatever, or the medical man from getting the best medical magazines he can get, whether they came from the USSR or whether they came from the United States.

I think this is something we have to live with. Our basic answer is to give our magazines a unique Canadian quality and editorial excellence so that they will at least be the first magazines that the Canadian professional will read.

Mr. Fortier: I have a supplementary, Mr. Chairman.

The Chairman: Yes.

Mr. Fortier: Well then, what do you complain about when we are talking of the overflow of the U.S. business magazines?

Mr. Daly: Well, Mr. Fortier, I complain mainly of the fact that they are getting a free

ride from the postal point of view and that was being assessed against us as if we were causing this deficit.

Mr. Fortier: Once we leave that aside, because that is in the process of being remedied—at least to a certain extent it is—what else do you complain about?

Mr. Daly: Well, I cannot complain about anything with respect to the freer exchange of information and the technical significance of that. I think that is a world wide necessity.

Mr. Fortier: If the Canadian reader did not have access to any of the Canadian business publications, would he get all the information which he requires from the United States counterparts which overflow into Canada?

Mr. Daly: No, he would get very little of it. For example, I have mentioned two or three specific examples. There is very little Canadian news in the American publications. It has to be something that is really big or extraordinary as most of the American technical publications do not have correspondents or bureaux here at all.

I refer to the winter concrete being poured on a dam in northern Quebec. Now, that would not be referred to in the American Concrete Engineering magazines but it could very well be of use to a contractor in the Yukon who gets it in the Canadian magazines.

These examples can be multiplied 100 per cent.

Mr. Fortier: At what level do you consider that there is the most acute competition between your magazines and the American ones.

Mr. Daly: Well, it varies from industry to industry. In the oil industry or the petroleum industry the competition is acute. Maclean-Hunter has a magazine and we have a magazine but the overflow circulation of the great thick American magazines is extreme.

In some industries it is not so important. In the electrical-engineering industry it is not so important because we have different standards and so on.

Mr. Fortier: Would you agree that where there is acute competition from U.S. magazines, it forces the Canadian companies to publish better magazines?

Mr. Daly: Well, we try to achieve excellence in each magazine but competition is always a stimulant.

Mr. Fortier: Yes.

Mr. Daly: ... whether it comes from the United States or from Maclean-Hunter.

Mr. Fortier: Right. We will be talking about competition with Maclean-Hunter later on but right now I am interested in competition from the U.S. magazines. You do agree it is a factor, where there is this acute competition—where you strive for more excellence.

Mr. Daly: Right.

Mr. Fortier: More excellent excellence, so to speak?

Mr. Daly: And we strive in other ways. The question of advertising, for example. There is a tendency on the part of some of the American advertising agencies to believe that—in fact the people who are selling advertising for some of these magazines in the States tell everybody that—the overflow in Canada will look after that. You do not have to bother advertising in Canada.

Well, we have tried to dispel that.

Mr. Fortier: How successful have you been?

Mr. Daly: With readership service, I think we are reasonably successful. This is one thing that we have in common, that we do co-operate with other publishers either through the Canadian Business Press or its parallel programmes and so on and I think we are reasonably successful.

However, it is a constant fight.

Mr. Joel: May I add something?

The Chairman: Yes, Mr. Joel?

Mr. Joel: If I may, Mr. chairman, that question of Mr. Fortier's has not yet produced, except in a passing way, the fact that Canadian publications do not really compete with United States publications or any other form of publications in the sense of each trying for excellence, but compete in quite a different way and that is that they represent a purely Canadian point of view and there are some very outstanding examples of this.

In our company there was an occasion on the Columbia River Treaty, for example, to which Mr. Daly did refer in passing, in which the editorial position taken was very largely

anti-United States. Obviously this was not going to be covered editorially or represented in the United States magazines but it was important—our editors felt—for that magazine to put this point of view forward for their readers and for Parliament and for the profession in general.

It was an important contribution and this I cite as an example because it is the sort of thing that is happening constantly in Canadian business publications. So it is not merely a matter of competition per se, but of representing the Canadian point of view.

Mr. Fortier: The question comes to mind on that point—

The Chairman: Well, Mr. Fortier, I do not want you to open up an entire line of questioning. We are still trespassing on Senator Smith's time.

Senator Smith: Let him finish this phase.

The Chairman: All right.

Mr. Fortier: I am still trying to establish the effect of the overflow. Would it be possible for a U.S. trade business publication to do what *Time Magazine* has done, to present news about Canadian business or Canadian industry from the Canadian point of view that is written by Canadian editors?

Have they ever attempted to do that in any one of the publications, with which you are familiar?

Mr. Daly: Well, it would not be possible, as I understand the present legislation. The present ones have been exempted from it—*Time*, *Reader's Digest*, *Daily Commercial News* and *Modern Medicine of Canada*—because they were in existence before.

Mr. Fortier: I am not assuming they are trying to avail themselves of the tax provision of the Income Tax Act. I am just asking whether or not this has ever been attempted. In other words have they attempted to compete with you along the lines that Mr. Joel had suggested—Canadian news written by Canadians?

Mr. Daly: There have been specific attempts in various small fields over the years to wrap four pages of Canadian news around the bulk of the American editorial of it and call it a Canadian edition but they have died out in the business magazine field. There

have been half a dozen or so I can recall over 20 years.

Mr. Fortier: There are none in existence today?

Mr. Daly: Not to my knowledge at the moment, at least none that are competitive with us. We are keeping our sights on that more than anything else. There may be some in other fields.

Senator Smith: Mr. Chairman...

Mr. Daly: Excuse me. I guess *MD of Canada* is another one that does it. It is still publishing, I think.

Our friends from Maclean-Hunter can tell you more about that because they are competitive with *The Medical Post*, but I think here is one that is still going.

Senator Smith: If we are through with the verflow...

The Chairman: I have one question myself.

Senator Smith: I thought that was the time to ask a question on overflow.

The Chairman: May I ask a supplementary question?

Senator Smith: Yes.

The Chairman: I put it to you, Mr. Daly, whether you want to answer this in the capacity in which you are here or whether you wish to simply answer it as a private individual, or a Canadian citizen, do you think—I am going to use your own words, the so-called Canadian edition of *Time* is a healthy thing for the Canadian consumer magazine industry?

Mr. Daly: I know there is concern in this regard among Canadian magazine publishers, that if the edition of *Time* were to be removed from the scene, Canadian magazines might be harmed because the advertisers and agencies would not be as inclined to the total magazine picture. Some who have been vociferous opponents of *Time* and *Reader's Digest* have now learned to live with them to a certain degree.

I believe they have a magazine promotion bureau which embraces both Canadian and United States owned magazines but I am not the specialist in the consumer magazine field.

Insofar as I am concerned, I would like to see *Time* removed from the Canadian scene

because I would guess that up to a quarter of its advertising revenue should be in the business press.

Time has corporate campaigns, even campaigns for water treatment in the pulp and paper industry which maybe 35 readers of *Time* would be interested in, whereas there are good papers, not only in our house but others, that can carry these advertisements.

The Chairman: Do those advertisers not use the business press as well?

Mr. Daly: Some use both. Some succumb to the blandishments of *Time*.

Mr. Fortier: Supplementary?

The Chairman: How much of this *Time*-captured advertising, Mr. Daly, do you really believe would be channelled to Canadian business publications if *Time* was removed from the scene, as it presently exists?

Mr. Daly: That is a very difficult question to answer because it is based on surmise of the future, but if *Time* were removed from the scene, there would be approximately \$1,000,000 of advertising space that we might secure, if we could persuade the advertisers that we had the right vehicle for it.

I do not know though. Some of it will be dissipated into other media.

Mr. Fortier: This hypothetical question was enquired into early in the 1960's. As you probably know, by and large, it was found that a very small portion of the advertising now going to *Time* and *Reader's Digest* would find its way to Canadian magazines.

Mr. Daly: At least we would have a chance. I think Senator O'Leary went into this and I have not got the Commission report before me, but you would have to up-date his estimates by the difference in the advertising rates that have taken place since.

Mr. Fortier: Your company has never made a study of the flow of advertising, if any, that they eventually erode.

Mr. Daly: Not statistically, but we keep tear sheets and lists of their advertisers and look at the sort of thing we might hope to get. In fact we do hope to get some of it in the *Executive Magazine* or *Financial Times* and so on by going and persuading the advertisers that we have got a better medium.

It is a continuing competitive struggle and if they were not here, we may have a better chance.

The Chairman: Mr. Fortier, I have just one more question, and then perhaps we can return to you.

Is this problem of *Time* capturing advertising which might otherwise go into the business press, more of a problem in 1970 than it was in 1965 or is it an on-going problem?

Mr. Daly: It is an on-going problem and I think that it is just as bad as it was and it is a problem in Canada particularly. It does not happen in the United States very much because they cannot offer the same specialized audience that they can here.

Senator Smith: Mr. Chairman, my attention was directed to paragraph 30 in the brief in which it was stated:

"We welcome conflicting opinions, seek them out and publish them."

In which way do you try to seek them out? Do you have that many of your staff that you can try to stir up and direct questions and see whether that viewpoint should be balanced in your particular publication?

Mr. Daly: I think this is a question, sir, that might be directed to Mr. Quick. He is right on the firing line with this sort of thing all the time.

Mr. Donald Quick, Editor, Engineering and Contract Records: I do not think it is necessarily a matter of numbers as to how you obtain differing opinions but it is an essential part of an editor's job to present both points of view.

He cannot possibly put a situation to a readership in an industry unless he knows a great number of points of view. I am not sure I am answering your question specifically.

Senator Smith: Just let me ask you a question before you go any further. What do you mean by "points of view"—engineering points of view or public policy points of view? In which area?

Mr. Quick: Well, it could be either. It could be in management techniques; it could be in management policies; it could be a question concerning the economy of the industry vis-à-vis the economy of the nation.

It is essential to interview, by various means, a great number of people to obtain a true understanding of the situation.

Senator Smith: This leads me to another question. There was mention made in paragraph 28 about the better publications participating in leadership of their industry and it was pointed out that two of the publications featured articles on the Come-By-Chance refinery situation.

Was there no conflicting opinion on that particular thing? It seems to me by the very nature of it, it had a lot of conflict involved.

Mr. Quick: I am not sure how to answer your question, Senator, specifically. I was not personally involved in that particular story.

With regard to the leadership of an editor or his magazine within a field, it is my experience that most editors endeavour to bury themselves within their field to understand the various functions of people in the industry and in many cases participate in industry committees and boards in order to be thoroughly familiar with the methods.

Mr. Daly: May I add something to that?

The Chairman: By all means.

Mr. Daly: The Come-By-Chance thing happened to come to my desk because the people involved, particularly Mr. Shaheen, were quite indignant about the article that we had written.

Senator Smith: What was the man's name again?

Mr. Daly: Mr. Shaheen. Even as a fellow Irishman, I could not agree with him, so the opposite point of view was brought out by publishing his letters in our *Canadian Petroleum* magazine.

Now, he threatened us with various other penalties. We have not yet had a libel suit actually launched against us.

In the 30 years I have been with the company nobody has yet successfully launched a libel suit against us so we are keeping our fingers crossed.

Senator Smith: Do any of Mr. Shaheen's industries advertise in some of your magazines?

Mr. Daly: It could be, but would not make any difference.

Senator Smith: You have said in your brief that you are under pressures of various kinds. If he happened to be a big advertiser, would you have given him the same answer that you gave him before you wrote it? "We will certainly publish your views but we think our article was right and unless we are proven wrong—". Is that the same answer you would give any advertiser?

Mr. Daly: That's the same answer we would give.

Senator Smith: Do you know of any instances in which any of the business publications have yielded to pressure? If there have been examples, it would be interesting to know.

Mr. Daly: Well, there are no recent examples that I know of, in our house at any rate. There is a grey area where an individual publishing manager or an editor may—his judgment may be swayed either way. The business publication industry has matured tremendously in the past quarter-century.

There was a time when business publications struggling for existence—even in some of the larger houses—would have been accused of this sort of thing. But today, the record of business publication—I will not go along with one hundred per cent credibility, the association brief stated yesterday, but think it is pretty high.

Certainly their standards are higher than even some of the top metropolitan newspapers, where you will see travel advertisements for Barbados with an editorial item beside it very blatantly and so on. They are higher than any other media or as high as any media, as far as I am concerned.

The Chairman: Do you have a travel publication?

Mr. Daly: No, we don't.

The Chairman: Does Maclean-Hunter, do you know?

Mr. Daly: Yes.

The Chairman: That is a good question for this afternoon.

Senator Smith: One of the statements that so interests me is the fact that your editorial people have opportunities to travel quite freely and examine situations on the spot. Do they always pay your expenses or are they the guests of some industries or some other associations?

Mr. Daly: It is Southam policy throughout the organization and the policy that we inherited from Southam Press, that they pay their own expenses and that they do not have to be obliged therefore to write up something from someone who is paying their expenses and so on. There are some classic instances of this but I will not take up your time.

Senator Smith: I think we have had the same sort of statement from the Southam newspaper group. We have also had some indication that some of the daily newspapers, one in particular in Toronto, I think it was the *Toronto Star*, said they would never have their travelling editors' expenses paid on a trip to Expo 70 and back.

The Chairman: Were you thinking of any specific daily paper when you made that statement?

Mr. Daly: No, I think it is common daily paper practice. I don't want to name anything. I should not really be saying it as a director of Southam Press but I am only pointing out that it is only recently, for example, in the *Globe and Mail* that they have put "An Advertising Feature" under Mary Walpole's column. A lot of people thought that it was editorial. They are still carrying ads and adjacent editorial material in the travel section, more or less in proportion to the amount of advertising.

Now, I am not trying to say anything against the daily papers and their practices. I am only saying the trade press standards are as high or higher than any other media in this regard, I think.

Senator Smith: If you or one of your editors was invited to go to the official opening of the Come-By-Chance Refinery, would you pay your own expenses?

Mr. Daly: Yes, definitely.

The Chairman: That was a hypothetical question.

Mr. Daly: That was facetious.

Senator Smith: I would like to ask a couple of questions from the sources of journalistic recruits. I think there has been some indication that the United Kingdom, as it is in other journalistic fields, is a rather important source of recruits. Is that particularly so in your group of business magazines?

Mr. Daly: Yes, it is. I think paragraph 36 deals with this briefly.

It is and it has been—it may be tapering off at the present time but there are a combination of factors—I guess the general desire to emigrate after World War II and the fact that wages were higher in Canada. A considerable number of our editors, I think including the two gentlemen sitting at this table, are both graduates of the United Kingdom trade papers or newspapers.

Senator Smith: Are the people that you can recruit, who would be university graduates, business administration, engineering, chemical or whatever that particular field may be, are they hard to come by in view of the competition there must be from business sources?

Mr. Daly: Very hard to come by because of competition from business and government sources.

A friend of mine in the office of a publishing company was crying yesterday because the Ontario Government had taken two of his editors at \$18,500 a year to edit their new Hansard. It's a six-month job. They can write or paint or do whatever they like for the other six months of the year.

Certainly they are hard to come by with those qualifications, especially, when I say thirty or forty of our editorial staff enjoy postgraduate qualifications, engineering, architectural qualifications and so on. The faculties of universities take them away from us. Government takes them away. Industry, public relations take them away. It is a continual battle.

Senator Smith: Would you mind explaining what value this class of people would have to the public relations field? I do not quite get the point of that.

Mr. Daly: Well, not all our editors are very technical people. Some are journalists with daily paper experience and these people can handle public relations assignments. Also in public relations for a specific industry—in our field they may learn a great deal about the forest industry, for example—and someone like Domtar may want a man as a specialist in this field and they will come along and hire him.

Senator Smith: It is not because of a lack of editorial staff that you have had to fold up some of the magazines which you have listed in the appendix here?

Mr. Daly: No.

Senator Smith: What are the main reasons for that? Are you going to blame the Postmaster-General for some of that or not? I notice some of them folded up in 1967 or 1968 so perhaps they would be excluded from that.

Are there others that are folding now since the postal rates have become a little more onerous?

Mr. Daly: The basic reason for folding a magazine is, it is not economically viable and it does not look as if it will be in the next three to five years.

It would be nice to blame Mr. Kierans for everything but it is not true. In some cases his increases were the straw that just pushed it over the edge on the question of whether you continue or not, and another \$10,000 or so in postage was the answer you would not.

There have been two or three instances of those, I think, in that list but others—either a mistake in judgment that they could not make the field go or a lack of good management to make the field go but not a lack of editorial personnel.

Senator Smith: Mr. Chairman, I just have one final question then, referring more to my natural-born curiosity. You use an expression which I have not read before let alone heard before.

I ask you what is meant by a "master photographer." You say, "We have one of the few master photographers in Canada." What is one? What does he do for you?

Mr. Daly: He takes photographs. He is a working master photographer but there is a Society of Master Photographers. I believe it is international and I believe there are either eleven or thirteen in Canada and they are elevated to this as they are to a Fellow of the Royal Architectural Institute for outstanding photographic achievement.

The Chairman: Are they commercial people?

Mr. Daly: He is a full-time employee of ours.

The Chairman: Are master photographers commercial?

Mr. Daly: They could be.

The Chairman: They are not necessarily commercial.

Mr. Daly: Karsh is one, I believe, and so on but they can be employees. The point I was trying to make there, a multi-unit house

could afford to employ such a man and have him on hand.

He has had several prize-winning photographs in newspapers and so on; that was the point I was trying to make.

The Chairman: Senator Smith, has your picture never been taken by a master photographer?

Senator Smith: That was my final question, but there was one I had in the back of my mind a while ago, and that is this statement in your brief somewhere (I have not got the reference to it) that you have been much more successful due to your financial capacity to take over more magazines and to publish more business press magazines. How far would you go before you would say to yourself, "Enough is enough," before you would get accused of getting into a monopoly situation?

Mr. Daly: Well, I don't know. I think that that is unlikely to happen because in any field that is large enough to support two good business magazines, you will find our friends from University Avenue are in there with both feet and we will try to be in there, too, but monopoly is not on the horizon. But where there is an ailing magazine or an estate problem or something like that and it is a good magazine, we are still interested in purchasing it.

No one has suggested to us yet that we have reached the stage where we are a monopoly.

The Chairman: You said "monopoly is not on the horizon." Would you be concerned if it was?

Mr. Daly: I think it would be a bad thing if there was a monopoly in fields that would support two magazines but I think it is unlikely to happen because someone will start the other magazine.

The Chairman: I will go to Senator Everett and then Senator Sparrow.

Senator Everett: You were talking about, I think, a water treatment campaign.

Mr. Daly: Which, sir?

Senator Everett: A water treatment campaign, did you say?

Mr. Daly: Which might appear in *Time* magazine.

Senator Everett: Which might appear in *Time* magazine and would only be read by 35 *Time* readers.

Mr. Daly: Well, it would be of interest, yes, to the, say, Pulp and Paper Plant.

Senator Everett: The market would be 35 people.

Mr. Daly: To a Canadian Pulp and Paper Plant or something like that.

Senator Everett: Can you tell me why an advertiser would pay *Time* magazine rates when you say *Maclean's* can give him a journal that would get at those 35 readers almost assuredly, and I would expect your rates are lower than *Time's* rates.

Mr. Daly: Our rates are lower. In this case I use an example in an area where we do not have a publication but where National Business and Maclean-Hunter do.

I happen to remember this particular advertisement but our rates are lower and certainly would be a fraction of the *Time* rate and when you relate the rate to the number of possible buyers, our rates would be even less again.

The Chairman: It might be interesting on this question for the Senators to know—in your answer to Senator Everett's question, you said a "fraction." I appreciate it would vary from publication to publication but what would be the average?

Mr. Daly: Twenty to twenty-five per cent.

The Chairman: Yours would be about a quarter of the *Time* rates.

Mr. Daly: Yes; and less in the smaller publications.

The cost of producing that would be the same, of course. To be frank with you there are many reasons. One reason is that the agent gets fifteen and two on the *Time* invoice which is \$2,000. They get fifteen and two on ours which is \$400.

That is not the primary reason. The primary reason is that they are successful in selling the concept that *Time* gives them a corporate image also as well as the actual sale of the product.

Possibly the fault is with the advertiser and the agency in the content of the ad they put in there rather than the actual fact of placing the ad in there.

The Chairman: Do you want to say anything Mr. Joel?

Mr. Joel: No, I don't think I do, Mr. Chairman. I think the point is well covered.

The Chairman: Does that satisfy you, Senator Everett?

Senator Everett: Yes, I think so.

Senator Petten: May I have a supplementary?

The Chairman: Yes, Senator Petten.

Senator Petten: When they run these ads in *Time*, say on water treatment, pollution, or whatever, would not the public interest be served by making the general public aware of this and through this awareness bring pressure on the people that are causing this and maybe rectify it?

Mr. Daly: Yes. That was my point, sir, previously, when I said maybe the fact of the placing of the ad there is not a bad thing in itself. It is the content of the ad.

If they had one on being against pollution, it is like being for motherhood today and so that might serve a public service but when they advertise heavy construction dump trucks in *Time*, for example, when you have two or three good heavy construction magazines in the country, then I think they are doing the advertiser a disservice when they place their ad there, the same as when they put it in a newspaper or on TV.

Senator Everett: I think you said earlier that you are now reasonably happy with the overflow situation in the light of the fact that the Postmaster General had removed the deficit from the calculation of the deficit under second-class rates.

However, on page 14 of your brief, item 39, you state:

"It is to be hoped that Canadian representatives at the next international postal convention in Tokyo will press for some equalizational procedure (similar to 4th class mail) so that Canada may receive compensation for the flood of heavy U.S. business magazines being carried free in the Canadian mails. The many millions of dollars involved will materially assist in delaying further increases to Canadian business magazines."

I wonder if you could enlarge on that?

Mr. Daly: Yes. I would like to, and also correct that, to a certain extent.

The International Postal Union is having a meeting, I understand, in 1971 but it did have a meeting in the fall of 1969. One of the officials of the Post Office Department told me this morning that they have reached agreement. They were able to persuade the United States and other countries that there should be some such equalization procedure. It has not been publicly announced yet but I am told that it will take effect within the next 12 months and this should mean that Mr. Kierans should get about 7½ million dollars from the United States as compensation—maybe eight million dollars by the time it takes effect.

Mr. Fortier: He did mention that last night in the question period.

Mr. Daly: We have been pressing him to try to take some action but the Americans have opposed it previously; but with the number of independent French companies in Africa now siding with Canada and a few others, the number was sufficient to carry the principle.

Senator Everett: So you are in favour of this action?

Mr. Daly: Yes, by all means.

Senator Everett: In item 40 of your brief you state that Association publications should not be classed as third-class ratepayers, and you consider this as an inequity.

You would in that case be pleading on behalf of a situation in which you yourself are not involved; is that correct?

Mr. Daly: That is correct. In fact, in many cases we compete with Association publications in the hospital field, architectural and engineering fields, and so on, but they are members of our Association and we do feel it is an inequity because they are using the post office here, or Mr. Kierans is, for a punitive exercise.

What should be done—I believe there is some legislation before Congress in the United States to do this—is to charge them the same rates as other publications. We apply the same principle that we did when we talk about *Time* and *Canadian Metalworking Production*. It costs the post office the same to carry a publication whether it is published by an Association or Maclean Hunter or Southam or whatever if it is the same weight and size. They should take the

Association and make them separate really their profit-making enterprises such as publications—for example, the Canadian Medical Journal, must be a very profitable publication, at least it would be in any private publisher's hands anyway,—their trade shows and so on and tax them as a corporation, the twenty-one or fifty per cent rate, whatever it is.

Mr. Fortier: So they would not really be assisted in the end?

Mr. Daly: They might be penalized in the end, but the equity...

Mr. Fortier: Then you have reduced your generous offer.

The Chairman: I think Mr. Joel wants to add something.

Mr. Joel: It is just a small correction. It is not too important. But Mr. Daly's remark conveys the idea that the Association publications—these Associations are all members of the Canadian Business Press as an association. This, in fact, is not so. I know he did not mean it that way.

He cited the Hospital Association publication and the Architectural Association publication. Both are not members of the Canadian Business Press but we have tried to represent their interest, too, in respect of this discriminatory action.

You might be interested to know, Senator, that the architectural journal of the Royal Architectural Institute of Canada is right now undergoing a traumatic experience in trying to stay alive.

They are one of the publications that has been pushed over the edge by the higher postal rates affecting them, and we have, in spite of the fact they are competitive to us, considered it enlightened self-interest, if you wish, that they stay in business and operating.

This is a magazine that has served the architectural profession for many, many years and is at a severe disadvantage now. They are, in fact, at this moment out of operation. We have offered our offices to help to try to keep them afloat and they have now got a new plan on a new frequency to republish. They are one of the magazines who are not members of the Canadian Business Press but whose interest we identify with.

Senator Everett: That leads me then to this question for perhaps both of you. Mr. Kierans

last night stated he was not really happy with the present arbitrary division between the various classes of mails; that he was also cognizant of the fact, dealing with second-class mail, if he raised the rates to a point that the second-class showed no deficit, that he would seriously affect the economics of the industry.

I think that he suggested that while the Post Office would run as a transportation operation, he would like Parliament or the government to determine some sort of second-class mail subsidy and in order to effect this, the government would get together with the publishers to discuss what that subsidy should be and how it should be divided.

As a publisher and the chairman of a large publishing organization, can you tell me if you would be happy with this approach that Mr. Kierans has suggested?

Mr. Daly: Well, I would find a government subsidy to the publishing business distasteful in any form because of the possible effect. Once you get a gift from someone you are obligated to them and to some degree your freedom or independence is impeded.

In actual practice, if Mr. Kierans' figures are all correct, that is what Parliament has been doing by paying him sums of money to pay his deficit each year.

I do not know whether there is a Cabinet decision that the Post Office must become self-supporting, Parliament has been doing this since Confederation.

Our basic contention, however, is that the amount we are paying to transport our magazines—I referred earlier to the fact it is approximately five cents a copy, which is what the Post Office said it would cost them to transport them, is in effect less than what we are paying the Post Office. In other words, we are paying six or seven and as much as nineteen and twenty-three cents a copy and so on.

I think in our own particular case, and I think in the case of Maclean-Hunter—they can speak for themselves on this subject later, I am sure—I think we are paying our own way now and may be paying a little more than our own way. I think this deficit is occurring from small, thin publications from the publication costs he cited, the Winnipeg farm paper and so on.

So our argument is that we are paying our own way. Personally I would not like to see us accept a subsidy. We would like to continue to pay our own way.

Mr. Fortier: How would you deal with the other ones who may be in need of a subsidy?

Mr. Daly: Well, if they are willing to accept a subsidy, I guess that would be their decision.

The Chairman: You said in answer to Senator Everett's question that you found Mr. Kierans' proposal distasteful. Then a sentence later you said that what Mr. Kierans is proposing is what has been done for years anyway. So presumably you find the existing situation distasteful.

Mr. Daly: Yes, because of the inequities.

The Chairman: Yes, but I think you said you found it distasteful, in answer to Senator Everett, not because of the inequities but because some form of subsidies would be distasteful to the press in terms of freedom, presumably.

I think that is the sense in which you said it was distasteful.

Mr. Daly: Yes.

The Chairman: Then you said in the next sentence—I do not want to cross-examine you—that what he proposed to do is what has been happening all these years anyway.

Mr. Daly: Right.

The Chairman: So you must find that distasteful.

Mr. Daly: We do not find it distasteful because we believe we are carrying our own freight right now. Under the present system, the subsidy is actually going to other people.

When he analyzed our magazines individually in many cases he had to admit—at least P.S. Ross analyzed it for the post office—and they had to admit in most cases that we were carrying our own weight.

Senator Everett: Carrying your own weight. At what rate?

Mr. Daly: At the present rate that we are paying.

Senator Everett: That is the regulatory rate.

Mr. Daly: Yes.

Senator Everett: Yet you say that you do not feel you should be on the regulatory rate.

Mr. Daly: No. I think we should have one rate for everybody.

Even if you correct it by bringing *Time* and *Reader's Digest* up to the regulatory rate, we have learned to live with this present rate. We do not want to see a further rate increase while other people are being given an actual subsidy.

To go back to what I was saying, under the system which has been in effect, we believe that we are paying our own way or a little more than paying our own way to therefore we do not feel we are receiving a subsidy. But there has been a subsidy for many publications, as he pointed out. He has examples to prove it.

Senator Everett: If I understand you correctly, what you are saying is that you are caught by a statutory second-class rate.

Mr. Daly: So there should be one second-class rate applying to all.

I think I have no illusions. Once a price is increased it stays that way so I have no illusions that we are going to get a lower postage rate but the deficit could be corrected by bringing the so-called paid publications up to the same rate, rather than further penalizing the qualified circulation publications.

What I hope to avoid is a further increase which Mr. Kierans has been making noise about ever since he put the last one in.

Senator Everett: So you are saying everybody ought to be on the regulatory rate?

Mr. Daly: Or one rate.

Mr. Fortier: Be it regulatory or statutory.

Mr. Daly: Yes.

Mr. Fortier: One rate.

Senator Everett: But that one rate should pay the total cost of the class.

Mr. Daly: Well, I do not know about that because I think that in accordance with the recommendations of the O'Leary Commission there is something to be said for giving even free postage to certain types of magazines such as art, literature, and so on.

Senator Everett: And that is what Mr. Kierans is suggesting.

Mr. Daly: Giving free postage?

Senator Everett: No; giving a subsidy.

Mr. Daly: Yes.

Senator Everett: Which you say you find distasteful to certain business magazines.

effect he was saying, I am dissatisfied with the arbitrary divisions that we have created. I would like to fix that up and I would like, if there is going to be a deficit in order to support certain magazines, to have Parliament examine the matter and make a grant and the division of that grant would be discussed with the publishers.

Mr. Daly: Well, as far as our own company is concerned, I think we are paying our way at the present time, more than paying our way, and I do not think we would require a part of the grant. But of the publications which are enjoying second-class mailing privileges, there are many that obviously are not paying their own way.

It would be up to them if they wanted to accept a postal subsidy.

Senator Everett: Thank you.

The Chairman: Is your question a supplementary question, Mr. Fortier? Senator Sparow was waiting patiently.

Mr. Fortier: Yes, Mr. Chairman. I think at issue here is the qualified circulation or controlled circulation versus the paid circulation. I would like to hear you on this particular point and that is, the view that has often been expressed, if you pay for something you value it more than if you do not.

In 1967, as you probably well know, the Canadian Circulations Audit Board sent out a questionnaire to its member advertisers, agencies and publication managers to stimulate comments on the paid versus the controlled circulation question.

It was structured, we are informed, in such way that existing prejudices towards qualified circulation could be measured. Now, the participants would be aware of that and felt at paid publication was indeed valued more highly. So my question is this, if paid circulation is valued more highly by the reader, should it not benefit from lower postal rates than one which seeks to blanket a particular area or a particular segment of the population within a particular area?

Mr. Daly: I knew that question would come back to haunt us. I think Mr. Joel had a hand in drafting it.

Mr. Joel: I did, indeed.

The Chairman: Well, why do you not express your opinion, Mr. Daly, and then we will turn to Mr. Joel?

Mr. Daly: My opinion is this simply that, be it as it may, these answers were impres-

sions from advertisers and agencies, their impressions rather than fact.

There are hundreds of surveys of paid and qualified circulation magazines existing in Canada and the United States on readership and they show no significant difference in readership between the magazines except that based on editorial quality.

McGraw-Hill in the United States, a famous advocate of paid circulation for many years, has been swiftly changing over to qualified circulation in the past few years.

Surveys that we have done among Ontario Hydro engineers, for example, showed they did not know whether the Hydro was paying for the magazine or whether they were not paying for it, so I do not think there is any difference. But basically, that is not really a concern of the Post Office, that is a concern of the advertiser. If he wants to prefer a paid magazine let him put his ads in it.

The Post Office pays exactly the same to the letter carrier who is carrying a copy of *Time*, ostensibly paid, even though it might have been sold by a high-pressure deal, as it does for the *Canadian Architect*.

Mr. Fortier: Surely it is of concern to the Post Office. If there is a controlled circulation, there are a number of copies that are being carried by the postman which are never read because they are thrown into the wastepaper basket.

Mr. Daly: Well, we are willing to stand up to readership surveys with anyone on the number of copies which are read.

Mr. Fortier: But you would agree this would be of concern to the Post Office?

Mr. Daly: Yes, but if there was such a situation, certainly that would call for postal intervention. I think the quality of the magazines can be determined by other methods than whether they are paid or qualified.

There are readership surveys. There are other companies who are publishing them. We also have an interest in keeping the number of copies down. We keep our postal bills down and our printing bills down and so on.

Mr. Fortier: If you feel as strongly as you do about the inequity of the postal rates as they exist now, why would you not attempt to charge 50 cents to your readers who now receive your publications for free?

Mr. Daly: We do solicit subscriptions within our qualified circulation lists and some of our magazines might be 15 per cent, some might be 25 per cent or 30 per cent paid and so on, but it is not practical in a country as extensive as Canada and with our specialized magazines—maybe with one architect in Orillia and maybe two architects or three architects in another town and so on—to send subscription salesmen around to get them.

Also when you get around to the consumer magazine and so on, you may find that the cost of getting paid circulations to a publisher is as great or greater than his actual revenue from it and that the advertiser is supporting the so-called paid publication just to the same extent as is the qualified publication.

Mr. Fortier: Are you suggesting that your readership would diminish in the event that you sought to make all your qualified circulation magazines paid magazines?

Mr. Daly: No, I am not suggesting the readership would diminish. There might be a 5 per cent or 10 per cent drop in circulation but the cost of securing that circulation in this country would be prohibitive for the average magazine of five or ten thousand copies.

Mr. Fortier: Surely you have a list of those readers to whom the controlled magazines are directed. Would you need to send someone to his door in order to enlist his paid subscription or could you not merely write him a letter and say: "For the following reasons now you will have to pay 50 cents a month or 50 cents every second month"?

Mr. Daly: Mail solicitations result in a certain percentage—this is what we are using now, as a matter of fact—but there is always a percentage that does not reply or they are working for the government department or something like that, perhaps a water control plant. They think that the municipality should buy it, so you have got to go and persuade the purchasing agent and so on.

I do not think by mail alone, you would get sufficient solicitation. As I say, the big American publishing houses now have qualified circulation. Maclean-Hunter can give you something on this because they have publications in both areas. They can tell you more about it than I can, but we, at one time, had several publications that were paid and we gradually converted them to qualified because of the increasing cost of getting the subscriptions, and the same is true of other business publishers in Canada.

With the exception of the *Financial Post* and a handful of others, now all the publications are qualified.

Mr. Fortier: That has been the trend, of course, from paid to qualified.

Mr. Daly: Right.

Mr. Fortier: You say mainly because of the increased costs of soliciting subscriptions.

Mr. Daly: Yes. And also because of the higher quality of qualified lists.

Our lists are under daily scrutiny. As an architect dies or his office is moved—there are all sorts of sources (directories, newspaper clippings)—we correct our lists daily.

The old-fashioned subscription salesman who went out and sold for us didn't care whether the man was an architect or not. If he sold a subscription, he made a commission on it and this happened.

Mr. Fortier: How can you be certain of your reader's interest in the magazine when he just receives it automatically whether or not he pays for it?

Mr. Daly: There are many ways. We mail out questionnaires on readership at least once a year on each magazine and ask them which features are good and which ones are bad which should be expanded and so on.

We get very high results from this, probably 25 per cent or 30 per cent in some cases. Is that right, Mr. Joel?

Mr. Joel: Yes, as high as that.

Mr. Daly: And then there are product inquiries.

Mr. Fortier: You say it is as high as 25 per cent or 30 per cent, which was proof 25 per cent or 30 per cent of the people on your mailing list read the magazine.

Mr. Daly: No. That means they are willing to take the time to reply to a detailed questionnaire.

There may be another 30 per cent or 40 per cent who do not bother. Do you reply to every questionnaire that you receive?

Mr. Fortier: No. If I receive a questionnaire or if I receive an enquiry as to whether or not I would like to continue to be on a mailing list for a publication that comes free, I will say, "Yes," if I am the least bit interested; but that does not mean I would go out to the newsstand and purchase a publication.

In other words, the point I am coming to is, is it a more effective way of reaching a potential reader, to use the qualified circulation publication?

Mr. Daly: It is for an advertiser.

Mr. Fortier: And also for the publisher?

Mr. Daly: Yes. That is why it has been accepted so widely.

Mr. Fortier: What are the disadvantages now? We know about the postal disadvantages. What are the other disadvantages, if there are any, to qualified versus paid circulation?

Mr. Daly: Well, I cannot think of any major disadvantages as long as you are willing to spend money, as a publisher, to keep your lists in the very best possible shape.

There might be a slight margin of extra circulation in the qualified that you do not catch up with right away or is not right, as you say, but that is true also of the paid publications, oddly enough.

When you see readership surveys on a paid publication, you will see 5 per cent or 10 per cent of the people do not really even know they paid for it.

Mr. Fortier: How does that compare with qualified circulation?

Mr. Daly: About the same.

Mr. Fortier: About the same.

Mr. Joel: May I add this, Mr. Chairman?

The Chairman: Yes, by all means.

Mr. Joel: The central philosophy in qualified circulation is that the readership of the magazines is determined by the editorial calibre of the magazine and not by any other factor, and certainly not by the factor of whether the recipient has, in fact, dug into his own pocket to pay for it; but only on the basis—exclusively on the basis—I emphasize—of the editorial calibre of the magazine. So we have hinged everything on the readability and readership quality in the magazine upon the editorial calibre of our magazine.

I would like—just before I refer to one or two of the editors present—to perhaps expand on that. Referring to the remarks about the questionnaire, that you made Mr. Fortier, in which we tried to ascertain the attitudes on paid versus controlled or qualified circulation, did indeed take a hand in structuring that

questionnaire, even though I was quite aware at the time in doing so that we were going to get a lot of static, a lot of contrary opinion even within the publishing industry and it really did not surprise us. My reason for doing so—Mr. Daly and I had some differences of opinion at the time on this and I thought it was better to know—he used the term “It came back to haunt us,”—but I would rather know the size and shape of the ghost than not to know anything about it.

So when we discovered that there was still in existence in 1969 or 1968 or whenever it was it occurred, a lot of old, outdated beliefs in the so-called alleged virtues of paid circulation versus qualified, we were able to undertake an educational program with which as a matter of fact, the Canadian Controlled Circulation Board is going forward at the present time, to correct misconceptions that occurred.

The Chairman: I think before we do hear from the editors I do want to say to Mr. Fortier he has now been about 35 minutes with supplementary questions.

I know he has some questions which are not supplementary. I am anxious that they be asked this morning. I think therefore—I do not mean to be rude to you, Mr. Fortier, but we have really exhausted this point for the moment and I would like therefore to turn to Senator Sparrow, if you do not mind.

Senator Sparrow: I wonder if you could give me the total circulation of the business press?

The Chairman: Of their own papers or all papers?

Senator Sparrow: All papers; and then their circulation.

Mr. Daly: I think it was quoted yesterday in the Canadian Business Press brief, about 4.4 million.

Senator Sparrow: That is per issue.

Mr. Daly: I think that is the annual circulation.

Mr. Joel: Per issue.

Mr. Daly: Per issue.

Senator Sparrow: So would you say that is approximately 52 million; would that be right? Or would it be higher than that?

Mr. Joel: No, it would be less than that I suppose, because they are not all on 12-issue frequency.

Mr. Daly: There are some monthly and some weekly.

Mr. Joel: Some are weeklies.

The Chairman: Could you estimate for Senator Sparrow, the total annual circulation?

Senator Sparrow: Would you estimate forty million to be correct?

Mr. Joel: I think that would be high but I would be safer if I said approximately 35 million.

Mr. Daly: We can get this figure for the Senator from our association. There are some of our members in the back of the room. The manager is here.

The Chairman: Do you have that information offhand?

Mr. George Mansfield, Manager, Canadian Business Press: I wonder if I could have the question repeated?

The Chairman: I think Senator Sparrow's question is, what is the total annual circulation of all business publications in Canada.

Mr. Mansfield: 4.4 million.

The Chairman: That is per issue?

Mr. Mansfield: Per issue. I couldn't estimate the annual circulation.

Mr. Joel: There is no factor of twelve, obviously.

Mr. Mansfield: Some would run more than that because some are weeklies.

Mr. Joel: Some are annuals.

Senator Sparrow: What is Southam's circulation in all their publications per year?

Mr. Daly: Five hundred thousand.

Mr. Joel: Per issue, 360,000, as I recall the exact figure.

Mr. Daly: Does that include both issues of *Good Farming*.

Mr. Joel: I think so.

Mr. Daly: And the *Journal of Commerce*?

Mr. Joel: No, it does not. It does not include the *Journal of Commerce*. It would be something in excess of 360,000. It would be close to 400,000.

Senator Sparrow: Per year then?

Mr. Daly: Per issue.

Senator Sparrow: And per year; would it be ten times that?

Mr. Joel: I would be safer with suggesting a factor of eight, eight times. In other words...

Senator Sparrow: Three million.

Mr. Joel: Three million, two hundred thousand; somewhere in that area.

Senator Sparrow: Can you give me the total advertising revenue spent per year or received by the business press? I think you used the figure of forty million dollars.

Mr. Joel: Forty million dollars I believe annually.

Senator Sparrow: That is an annual figure.

Mr. Joel: Yes.

Senator Sparrow: Can you tell me what the Southam Press advertising revenue is per year for its publications? Are you prepared to do that?

Mr. Joel: I am not sure if we are prepared to do that. Mr. Daly?

Mr. Daly: Well, we have furnished you with financial information, depending on where you are heading. It is Southam's policy that we do not reveal divisional results for competitive reasons.

The Chairman: I think we have the information.

Mr. Daly: If we are only talking advertising volume that is in the public domain because it is published in the quarterly reports of Southam Press.

The revenue from trade paper advertisements and trade shows is consolidated.

The Chairman: If it is in the public domain why do you not answer it?

Mr. Daly: Well, I think it was about eight million dollars last year. I have not got it in front of me.

Mr. Joel: It was a little higher. It was something over nine million.

Mr. Daly: We have a 12-month statement Southam's here somewhere. It has that.

The Chairman: We had that as well.

Senator Sparrow: You referred to *Time* magazine and the money that may be channelled into the business press. First of all, do you know the figure of the advertising revenue of *Time* magazine? You are using percentage figures now. Do you know that figure?

Mr. Daly: I believe that their revenues during the past year would have been approximately—I have not seen the last magazine report—between four million dollars and five million dollars, possibly closer to four million dollars.

I think they suffered a small drop in line-age but I imagine they had a rate increase.

I would estimate for the business press that only about 20 per cent or 25 per cent of that would be available.

Senator Sparrow: So you are suggesting one million dollars?

Mr. Daly: Yes, because there is both cigarette advertising and liquor advertising that we would not get.

Senator Sparrow: In the brief by the Business Press Editors Association they say, and I quote:

"The business press is the one media of communications which can be entered with relatively little capital."

I am sorry we did not ask them this question, but relative to what? How much are we talking about in dollars; can you tell me?

Mr. Daly: I think they are talking relative to an automobile manufacturer or a steel furnace or something like that, because our experience has been that it requires a considerable amount of capital to produce a good business publication.

There was a time when a chap could be his own editor and his own advertising salesman and get some credit with a printer and for a very small amount of money he might get going; but our experience has been that under today's conditions of costs, to produce a quality publication, an investment of maybe 200,000 or \$250,000 for a monthly magazine might be made over three or four years before he reached the break-even point and not every one works.

There are errors in judgment or the field does not spell out in the way you hoped it would.

Now, some have been established for less than that and some have cost considerably

more before they reached the break-even point.

Senator Sparrow: So that if a new magazine started out, competition-wise it is not very easy to compete?

Mr. Daly: No. I think you need that kind of money to produce a good magazine.

There are people starting them still and the odd one succeeds. Maybe one in one hundred, which is not financially well supported, succeeds.

It is more difficult for an individual than it is for a house such as ours because if we decide to enter a new magazine field, then in effect, it is subsidized by the existing profitable magazines for the period of its incubation.

The Chairman: Excuse me. I have the answer to the question you asked originally. Our research figures indicate that the annual circulation of the business press in Canada is 54 million, 25 million of which is paid and 33 million of which is controlled or qualified.

Mr. Spears: May I point out, Mr. Chairman, this includes circulation for the *Financial Post*. That is why it is high.

Senator Sparrow: You said you would look up the advertising revenue figure.

On page 2 you say: "We own and operate several trade and consumer shows, and we offer several auxiliary services. . ." Are these trade shows profitable business operations or are they only complementary to the magazines as such? Are they operated separately?

Mr. Daly: Well, we operate them. They are separate divisions of what we call our Southex Division and the majority are profitable. We treat them the same as the magazines.

We have some trade shows which have not yet reached the stage of profitability but if they do not reach it within three or four years and we feel they have no future, we probably would discontinue them the same as we would with a magazine on the same basis; but they all operate independently, autonomously, from the magazine for a profit.

Mr. Fortier: Such shows as the Canadian Restaurant Association and that type of thing is operated by that association?

Mr. Daly: That happens to be an association show and profitable, but a full list of our shows is appended to my brief at appendix B and it covers that page and the following page.

The Chairman: May I ask if one of the auxiliary services to which you referred is the sale of your qualified mailing lists to people who would be interested in buying them?

Mr. Daly: Yes.

The Chairman: How does that work?

Mr. Daly: Well, it is more or less a service to advertisers and in fact, at one time, was restricted to the use of advertisers so they could supplement their advertising message with pieces of direct mail or a sample of sandpaper or whatever they wanted to do, and it is not a highly profitable division.

Mr. Joel may have the figure in his mind but it is operated more or less as a service division.

I was talking this over with some of our editors the other day and they had the same experience. It was not a very profitable division.

Mr. Fortier: The *Water & Pollution Control* magazine, Mr. Daly...

The Chairman: Before you begin, Mr. Fortier, may I say for the information of the Senators and our guests and others that today only, I am hoping we can adjourn at 12:45 rather than one o'clock. That is just so you will know and the Senators will know.

We usually go through until one o'clock but by reason of certain Senators having appointments over the lunch-hour. I promised to adjourn at 12:45. I only make that point so that people will be mindful of that in their question.

Mr. Fortier: The *Water & Pollution Control* which you edit, Mr. Davey, when did it come into the picture?

Mr. Thomas Davey, Editor, Water & Pollution Control, Southam Business Publications Limited: In 1893 it started as the *Canadian Engineer*. It has existed in a continuous form ever since. At one time, you may be interested to know, when I started out I had an assistant with the same name as yours, Mr. Fortier. I had an assistant whose name was Fortier and who lasted with me four weeks.

Mr. Fortier: I have half an hour.

The Chairman: I do not think you should ask any more questions, Mr. Fortier!

Mr. Fortier: I thought that was one publication which has recently come into being.

Mr. Daly: In all fairness we should say the name of *Water & Pollution Control* has gone through several changes in names.

Mr. Fortier: Mr. Daly, which of your business publications is, in point of time, the latest to have entered the field.

Mr. Daly: I will have to look at the list. I guess the French language forestry paper *Opérations Forestières* would be about the latest, would it not?

Mr. Joel: *L'Agriculteur Progressif*, if you will excuse my French pronunciation, Mr. Fortier, I think is even later than that.

Mr. Fortier: How do you decide that there is a market for a new publication in a particular field?

Mr. Daly: Well, there are many ways. First of all, we keep a pretty close eye on the U.K. and U.S. markets as they develop more and more specialist publications, say, in electronics or in the nuclear energy field or whatever you want.

We try to find out if the name development is taking place in Canada and there is room for a parallel publication. We have an English-language publication like *Good Farming* and we decide that there is room for a French parallel publication like *L'Agriculteur Progressif*. We see that there is a deterioration in the field, or if it is ill-served in the field, and that it looks as if it could stand a good publication and has had a good publication in the past or is a growing field.

Mr. Fortier: Do you have anyone at head office doing exclusively this sort of work?

Mr. Daly: Well, we refer to Bloor Street as the head office of Southam Press but in our company we do not have anyone exclusively doing it. It has been more or less done in the president's office over the years. The idea for *Canadian Architect*, *Canadian Consulting Engineer*, *Executive*, and some others, were developed there but there is an interplay between the publisher and various officers of the company. Ideas are kicked around or one of the employees presents a brief on an idea for a new publication. This happens fairly frequently and it is an interplay of senior employees, editors, who get ideas and so on.

Mr. Fortier: When was the last time you decided to start the publication of a magazine in a field where Maclean-Hunter was already publishing one?

Mr. Joel: Just before the new postal increase came in.

Mr. Fortier: Which one was that?

Mr. Joel: There was something—I was being partly facetious, Mr. Fortier; but we are...

Mr. Fortier: That is why I took you up on it.

Mr. Joel: If I may, in answering your question, expand on something Mr. Daly said.

Mr. Fortier: You go back to my question.

Mr. Joel: All right. The experience in recent years has been that the need for new publications has been derived from an already existing publication either in our own house or in another company.

That is to say, as an industry or part of society specializes, it creates needs for special publications to serve, and this perhaps has been the process by which new publications have been conceived, so that mainly in effect...

Mr. Fortier: You get the feel.

Mr. Joel: Yes. The department in an existing publication may want the establishment of an independent publication.

The Chairman: Now, Mr. Joel, you are not answering the question which Mr. Fortier put. I asked it of either Mr. Daly or yourself.

Mr. Fortier: Either one of them.

The Chairman: You may put the question again, Mr. Fortier.

Mr. Fortier: I think Mr. Daly is looking for an answer.

Mr. Daly: I was looking down the list trying to figure it out. I guess the petroleum field was the last time. I do not remember who started theirs first. We bought an existing publication there and so on.

Mr. Fortier: You have *Canadian Petroleum* and they have *Oil Week*.

Mr. Daly: Yes; *Oil Week*.

Mr. Fortier: When did yours come into being?

Mr. Daly: We bought an existing publication but our ownership of it dates back around four years or five years.

Mr. Joel: Five years.

The Chairman: After the postal rate increase, Southam and Maclean-Hunter mutually agreed to each cease publication of certain of their magazines. Maclean-Hunter dropped *Mechanical Contracting and Engineering* and *Climatisation, Chauffage and Plomberie* and Southam closed *School Administration* and *Product Design & Value Engineering*. An article in *Marketing*, which I am sure you know is a Maclean-Hunter publication, stated and I quote:

"The companies said that, despite substantial investment in the publications against strong U.S. competition, there was room for only one Canadian publication in each field."

The same article begins—and again quoting:

"Severe postal rates increases plus other rising costs..."

So, there were really three factors: the severe postal rates; number two, the rising costs; and three, the strong U.S. competition.

For the record, which of these three factors was the most important?

Mr. Daly: The postal rates, as I mentioned before, were the straw that broke the camel's back.

The Chairman: Well, without the postal increase would it have happened?

Mr. Daly: I think they might have struggled along for another year or two.

The Chairman: Well, then the postal rates weren't the straw that broke the camel's back?

Mr. Daly: Well, they were the straw that made the decision, yes.

The Chairman: Without the postal rates, these publications would all still be going?

Mr. Daly: Well, they probably would have struggled on—I would say another year or two, but probably the same decision would have been reached. I think they would have been discontinued. It is purely a matter of judgment.

Mr. Fortier: How did Southam and Maclean-Hunter come to this arrangement? It was in 1968 wasn't it?

Mr. Daly: Yes, in 1968. It started with an informal telephone discussion.

Mr. Fortier: Who made the phone call?

Mr. Daly: I really don't remember. There are many phone calls back and forth, and they cover a great many subjects.

Mr. Fortier: You said that you would carry an unprofitable publication—well, you said if it was not economically viable today and you felt that it would not be for the next three to five years—that is your rule of thumb?

Mr. Daly: That is my rule of thumb but I have to submit my recommendations to my board and they may disagree with me.

Mr. Fortier: Have there been instances, Mr. Daly, where your company has carried a publication at a loss for a period in excess of five years?

Mr. Daly: Yes.

Mr. Fortier: And that would have been the reasons then, without naming the publication if you don't wish to, which made your decision?

Mr. Daly: Well, stupidity maybe, or stubbornness. There are two reasons.

Mr. Joel: We go on with certain things I guess in retrospect—sometimes they may turn out to be bad business decisions but sometimes they turn out very well. Three to five years is just a general rule of thumb. We look at each one each year and say now, what is going to happen next year and prepare budgets, and so on.

Mr. Fortier: Have you ever considered that you had sort of a duty to your readers to continue publication?

Mr. Daly: In certain fields I think we have taken that position, yes.

Mr. Fortier: Have you also been influenced by the fact that if Maclean-Hunter was in competition, as may have happened with that particular publication, that you were damned if you were going to keel over?

Mr. Daly: Yes. We have both made unwise business decisions and things of that nature.

The Chairman: Well, I have one other question. Do you have another question Mr. Fortier?

Mr. Fortier: I have one question for each one of the editors.

The Chairman: Fine. I would like to adjourn in seven minutes, but go ahead.

Mr. Fortier: I feel that we should hear from Messrs. Davey and Quick and I would like to put this question to them. Since it was mentioned that they were senior editors in the

organization, in the Southam group, why are you editing business magazines rather than being in the daily newspaper field?

Mr. Davey: Well, it is a matter of choice I think, really, and opportunity. I personally have been a business press editor for some years. About ten years ago I worked for radio and television in Australia...

Mr. Fortier: I wondered where you worked.

Mr. Davey: I personally like to work for a business magazine. The reason is you get a large degree of freedom. I have a budget, I have a field to cover, and I am not really overlooked on the point because no one gets to know the field as well as myself at our company. Within the bounds of budgetary considerations, I have always had total freedom and I go to places like Montreal and Windsor and no one questions my decision on this. I am only judged by the results at the end of each month. In other words, you are task oriented—it is not a nine to five job and it is the working arrangement that seems to suit my working temperament.

Mr. Fortier: Do you feel you have more editorial freedom that you would have working for one of the Southam newspapers?

Mr. Davey: I have never worked for the Southam newspapers, but I have discussed this problem with people who work there—yes, I think I have more freedom particularly in the selection of assignments. For instance if you work on a newspaper you are sent overseas to go and cover Yves Fortier to hear what he has to say on a topic whereas if you were an editor, you make this decision yourself.

The Chairman: You don't have to go and see Yves Fortier!

Mr. Davey: That is right.

Mr. Fortier: Well, what about advertising in your magazine—advertising from companies which pollute the air?

Mr. Daly: Do we have any?

Mr. Fortier: Advertising from sawmills for example?

Mr. Davey: As a matter of fact in our current issue we have one advertiser. I don't know if it is right to name him but we have one who has just been convinced—and this is a court case—brought forward by the Ontario Water Resources Commission.

Mr. Fortier: You covered it?

Mr. Davey: Yes, we covered it and we wrote it up as a news item. I particularly remember this because George Kerr, who is the Resources Minister in Ontario, said that there would be no interference in this case. He was replying to suggestions that they drop the case in view of the fact that the company had plans for substantial anti-pollution measures. Mr. George Keer said there was going to be no interference here and the prosecution was to go ahead; and this particular company happens to be an advertiser we normally have.

Mr. Fortier: Have you said that you are in favour of water pollution over the years?

Mr. Davey: As a matter of fact, I have a letter here from the University of Toronto dated February 10 and it relates to a letter written on February 7, 1970, from the Director of the Laboratory of the Milwaukee Sewage Commission. Briefly it states views on the story we did on eutrophication before the word came into common usage. And in fact when it first appeared on our cover we had a phone call saying: "What do you mean by putting a word there that isn't in the dictionary?" Dr. Jones has got a thing about detergents and phosphates and I published his views on this. We also published two articles which countered Dr. Jones' views by the Canadian Manufacturers of Chemical Specialties Association.

This letter which I would like to file or let you have if you like...

Mr. Fortier: Yes.

Mr. Davey: It says:

"I read with great interest"...

Mr. Fortier: Well, Mr. Davey, we don't have the time. Would you please table it?

Mr. Davey: Yes. This man states that a great deal of the legislative activity was a direct result of this one article which was published in our magazine.

Mr. Fortier: Mr. Chairman, could we hear from Mr. Quick? Would you rather be working for a newspaper in the Southam group than where you are working now?

Mr. Quick: No, I am quite happy to be where I am now.

Mr. Fortier: Well, could you give your reasons?

Mr. Quick: Yes—they are varied. I think the nature of man changes as he gets older and the pace in monthly publishing is much slower than daily, which is certainly one factor but the main factor, at least as far as I am concerned, is the ability to get to the bottom of a particular problem that concerns a great number of people. To pursue it and to provide for them, hopefully, some solutions. A reporter on a daily paper, as Mr. Davey says, is assigned to a task and has to report on the facts within a time limit but when you are dealing with industry problems and concerns, it is very necessary to deal in depth with it.

In one particular case, as far as I am concerned, it also developed into a personal private hobby.

Mr. Fortier: Do you have the last say as to whether or not a news story or editorial is going to be published in your magazine?

Mr. Quick: Yes.

Mr. Fortier: You never have to submit it above?

Mr. Quick: No.

Mr. Fortier: So, would I be right in saying that no article has ever been killed by the publisher?

Mr. Quick: Not on my magazine. I would certainly take every step to avoid that.

Mr. Fortier: There is no interference?

Mr. Quick: No. If I permit to be published something which is derogatory, or embarrasses the company, it is quite possible that they may have something to say to me about it, but that has never happened.

Mr. Fortier: It has never happened?

Mr. Quick: No.

The Chairman: Senator Sparrow?

Senator Sparrow: Please correct me on these figures if they are wrong—and they are estimates. It seems to me that Southam owns approximately 90 per cent of the business press in total number...

The Chairman: You are talking about circulation?

Senator Sparrow: No, in total numbers.

The Chairman: The number of publications?

Senator Sparrow: Yes. It appears that you have 6 per cent of the total circulation, it appears that you receive 22 per cent of the advertising revenue. With your main competitor it would appear that with about 20 per cent of the ownership—the total advertising revenue would be approximately 50 per cent between the two. Does this leave the balance of the 400 and some odd business press publications in a healthy condition? I am assuming that this firm and your main competitor are healthy. Does this leave the balance—the majority of them—in a healthy situation?

Mr. Joel: I don't know. I know of many healthy business publications that are not owned by either company, but I don't know of that total—I imagine some of them are very small regional magazines and some are subsidized by associations, although I really couldn't tell you.

Senator Sparrow: I was just wondering if they were going out of business gradually...

Mr. Joel: Well, I think Mr. Mansfield mentioned ten that have gone out of business since the postal situation changed. This is a business where new magazines are born and others go out of business from year to year, but I think in general, it is healthy. National Business Publications Ltd., and Secombe House publish business magazines, and they seem to be doing well and surviving and their individual business magazines such as *Canadian Medical Journal* must be very healthy.

The Chairman: I note with some interest, and I am delighted of course, that Mr. Balfour and Mr. Fisher are here and they are most welcome and of course, as I said earlier, we are delighted that they have returned. Did you read the brief submitted to this committee by Southam Press?

Mr. Daly: Yes.

The Chairman: Well, this is a very general question, but did you agree with everything that was in it?

Mr. Daly: Not everything.

The Chairman: Well, you are saved by the bell.

May I just say on behalf of the committee...

Mr. Daly: May I just have one last word?

The Chairman: Yes.

Mr. Daly: You asked for examples of publications within the same house arguing with

each other on behalf of their readers' groups and I can give you at least two examples—our forestry publication believes that pollution controls shouldn't be expedited quite as fast and that the forest industry should have a longer period and *Water and Pollution Control* just feels the opposite. When I was editor under a period when we had wartime price controls in the period after the war on lumber we were fighting for lower lumber prices and the *Canada Lumberman* were fighting for the opposite—for higher lumber prices, so we have many examples of that sort of thing. No one could think of any yesterday, so I thought I would just mention it.

The Chairman: Mr. Daly I hope you accept my appreciation on behalf of the members of the committee that you will share that appreciation with your colleagues who are here this morning. As you know and as I am about to inform the Senators, Maclean-Hunter Limited is on deck at 2.30 with Maclean-Hunter Business Publications at 8 o'clock and you will be most welcome at those sessions.

Thank you very much for coming this morning.

Mr. Daly: Thank you.

The Committee adjourned.

ON RESUMING AT 2 P.M.

The Chairman: Honourable Senators, may begin by reminding Senators of the session this evening at eight o'clock with Maclean-Hunter Business Publications, and may I also inform the Senators in case anyone is not aware, that the Senate, I understand, is sitting tomorrow morning at eleven o'clock.

Senator Smith: Yes, the sitting will be at eleven o'clock, and may be a very short sitting.

The Chairman: Thank you. Honourable Senators, this afternoon we are going to interrupt our study of the business press temporarily. As I said, tonight we turn to a discussion of Maclean-Hunter Business Publications, but perhaps to make that discussion more meaningful and certainly to enhance our entire discussion of the mass media, we now turn to a brief we requested and have of course received from Maclean-Hunter Limited.

If I could introduce our guests, sitting at my immediate right is Mr. Donald Campbell. Mr. Campbell is Executive Vice-President for broadcasting and finance. Then we have Mr.

Ronald McEachern who is Executive Vice-President in charge of the *Financial Post* and consumer magazines. On my immediate left is Mr. J. L. Craig, Executive Vice-President, responsible for the Business Publications Division, trade shows and the company's activities outside of Canada.

Mr. Campbell, I think that perhaps in the initial stages at least, you are going to be the spokesman. I will simply say that the brief which you prepared has been circulated to the Senators and it has been studied by them. I know that you have heard several of these opening statements and I will simply say that you have about fifteen minutes at your disposal. You are free to explain your brief, expand it or add to it or say anything else which may be on your mind.

The questions which the Senators will want to ask will not be based just on the contents of the brief or your remarks. I am sure there will be other questions.

Mr. Donald G. Campbell; Executive Vice-President, Maclean-Hunter Limited: Thank you, Mr. Chairman and Honourable Senators. We appreciate the opportunity to come before you, but we must warn you, however, that we are going to be here five times; so you are going to see a lot of us.

First of all, may I express to the Chairman the sincere regrets of Mr. Donald Hunter that he is not personally present at this particular hearing. Mr. Hunter recently suffered a heart attack and is convalescing.

I would like to also officially put on the record that we have no complaints. We ask for nothing. We just want to carry on doing the best possible job that we can.

With me today is Mr. Lin Craig who is Executive Vice-President of the Business Publications Division and also responsible, as you have outlined, for many of our other operations, and Mr. Ronald McEachern, Executive Vice-President of our Consumer Magazines and the *Financial Post*. My own responsibilities are those of broadcasting and finance, TV and radio. It is interesting to note that you have before you today an editor, an advertising person, and I started in the area of administration. Although I am a chartered accountant, I like to refer to myself as a broadcaster.

I raise this point for the Committee's benefit for several reasons:— first in the absence of Mr. Hunter, as Chairman of the Board and President, each of us is responsible for those areas which I have outlined and prepared to

answer any questions concerning them. Secondly, this hearing is for Maclean-Hunter Limited, but the Committee is also aware that separate briefs have been requested from Maclean's magazine and the *Chatelaine* group of women's magazines, including *Miss Chatelaine*, from the Business Publications Division of our company, and from our subsidiary operation, Maclean-Hunter Cable TV Ltd. Each of us will be appearing at the hearings scheduled for those briefs as members of the appropriate group. We are here today as members of the corporate group that is now being considered.

Because our major divisions are presenting their own briefs, we have not gone into details in those areas in the Company's brief. There may be some questions asked by the Committee which will be answered in our other briefs or which could best be answered in the context of those other briefs. I would assure you we will do our best to answer your questions.

Maclean-Hunter has been in existence for eighty years. It is a Canadian company. It is a public company. It has a staff of just under three thousand plus hundreds of contributors. It is not one large company, but rather one hundred and ten relatively small businesses. We are not a conglomerate—every facet of business that we deal with is in the communications field.

We have no daily newspapers. We operate from coast to coast. Those areas of advertising that we seek are quite small when related to the total media mix; for example, business papers are 3.3 per cent and magazines 2.6 per cent of the total advertising dollars that is spent in Canada as compared to 33.4 per cent for newspapers.

I would like to draw to your attention that the per capital advertising expenditure in Canada is about one-half that of the United States:— \$50.12 for Canada as against \$94.85 in the United States. Canada is unique in that we produce eighty million copies of Canadian magazines annually; whereas the circulation in Canada for non-Canadian magazines is one hundred and sixty million.

Maclean-Hunter is also basically different from some other media in that our sales are to national accounts rather than the mix of national, local and classified that exists in some media.

I would now like Mr. Craig to make a few comments on our trade shows which I am sure would be of interest to you.

Mr. J. L. Craig, Executive Vice-President, Business Publications Division, Maclean-Hunter Limited: Mr. Chairman, Honourable Senators, I would like to take a couple of minutes to talk about a communications medium which perhaps you haven't considered as being in the mass media field. I am going to have a chance to talk about it now, this being somewhat new to the Business Publications Division of this company.

I would like to say why we think trade shows are an important area of communication. There are in Canada, about one hundred specialized trade and industry shows and Maclean-Hunter produces seventeen of these as well as three shows which are open to the general public.

We are involved in trade and industry shows mostly because they are an important medium of communication and because they are a logical extension of our publications. Most of our trade shows are related to the specialized area of business and industry served by the business publications.

I think last year we had about five hundred thousand people attend various trade shows and product shows where they had the opportunity of fully examining and testing and where applicable see, smell or taste, products that were exhibited by manufacturers from all over the world. The trade show is unique, in that it is a three-dimensional medium involving all of the senses. Purchasing people are aided in their buying decisions because they can appraise a wide range of products from different manufacturers, all under one roof. The buyer comes to the seller; thus reducing selling cost.

Products on view come not only from Canada, but from around the world. These shows are increasing the import-export trade and improving communication between the governments and those overseas and between Canadian businessmen and their counterparts in other lands.

There are shows for the suppliers and buyers of machine tools, hospital equipment and many others as listed in our own brief.

The shows play an important role, not only in effective communications, but in the Canadian economy. Our largest show, the National Industrial Production and Machine Tool Show, provides an interesting sidelight to illustrate this point. This show is really an outgrowth of Canadian International Trade Fairs which were operated for some years by the federal government at very great cost to the Canadian taxpayer. When the government

withdrew, our predecessor picked up the idea of producing a similar industrial show as a private venture. Under Maclean-Hunter direction, it has grown into a very successful show.

Trade shows, bring people into the area where the show is, and frequently as a result of a successful show, new companies will be established to either sell, warehouse, distribute or ultimately manufacture products that have been exhibited; so that we think it is a very significant area in the business communication field.

Mr. Ronald A. McEachern, Executive Vice-President, Maclean-Hunter Limited: Mr. Chairman, honourable gentlemen:—the question is frequently raised about the relevance of consumer magazines in the decade of the seventies.

Let me say it is most definitely Maclean-Hunter's belief and decision that given the kind of climate we now have, it is our intention to continue in this operation, because we are convinced that such publications have a very real value. There can be doubt that there is a role for the printed word created for a national audience.

CBC and CTV networks do their own kind of job with their own particular qualities, but the printed word is the way that most people can really comprehend and appraise important questions of public and social policy and nourish a sense of national identity.

For a long time to come, people will be getting their basic information out of the printed word. On CBC or CTV and other electronic media, you have got to be there when they give it to you. The magazine can give it to you when you want it. The magazine is produced in an attractive format. It doesn't get thrown out of the house with the daily garbage, you read it when you are in the mood, when you have the time to be interested.

When television was originally introduced in Canada, advertisers and certainly advertising agencies became entranced with television as the magic answer to all advertising and sales problems. Many of them threw millions and millions of dollars in that direction.

Several things are now happening. There is a serious reappraisal of television. It is now obvious to all that vast amounts of money have been wasted in television. Out of this reappraisal is recognition that magazines have a continuing and essential role in advertising.

Another factor making giant investments in television advertising unattractive in many advertising situations is the constantly increasing fragmentation of television audiences mainly because cable television now gives viewers such a greatly increased freedom of choice. This means an advertiser has a greatly increased chance of his message not reaching the kind of people and the number of people he expects.

Our general magazines do not and may not produce what might be called a satisfactory return on investment. This is probably going to continue to be true for some time. However, Maclean-Hunter believes it has been performing a worthwhile national service and the company's financial capacity to continue services of this kind is now better than it was in the past.

In 1970, about 20 per cent of total Maclean-Hunter revenues will come from our electronic operations; i.e., from radio, television and cable television. By 1975, five years from now, probably 40 per cent of the total Maclean-Hunter revenues will come from its electronic operations.

Nobody feels happy with publications which don't have good economic health. Nobody likes race horses that don't win races. But Maclean-Hunter has with strong idealism, carried on the general magazines and we hope to do so in the future.

They have weathered the storm in the advertising world produced by the advent of television. Unless the competitive situation changes for the worse and unless production costs, postal rates and so forth go very strongly against us, I believe our general magazines will continue and we want them to have positive value in intensifying the spirit of Canadianism and enriching the lives of all our readers.

May I bring to your attention one fact about our consumer magazines which it is easy to overlook.

Maclean's and *Chatelaine* both go into a bigger percentage of Canadian homes than nearly all the very familiar American magazines go into American homes. For instance: *Chatelaine* has over one million circulation in our country of 20 millions. *Life* magazine at 1 million circulation, *Playboy* with 4.5 million and *Newsweek* with 2.4 million all have smaller penetration of the U.S. audience. That is all I am going to say at the moment.

The Chairman: Thank you very much gentlemen. We will turn to the questions of the

Senators shortly. Before we do, I should underline something that Mr. Campbell pointed out and that is that there is a series of other Maclean-Hunter presentations beginning, as you know, this evening, with the Business Publications Division; so I would hope that Senators, in framing their questions, could be mindful of the fact that we are dealing with the corporate entity here. Hopefully, I won't rule any questions out of order. Having said that, not unnaturally some of our questions will tend to be rather specific, but we will try to keep the questioning in some kind of perspective.

Although Mr. Fortier was going to ask the first question, I am going to precede him. I have a statement which has been prepared by the staff which is a summary of the important announcement which Pierre Juneau made this morning. I don't know how familiar you are with this announcement, and perhaps you could deal with this in some way and comment on it.

The summary reads:

"The CRTC will hear representations at its public hearing April 14th on the following proposals for amendments to the Broadcasting Regulations."

So I think the first thing to understand is that these are proposals only, at least until the fourteenth of April. First...

"Television.

1. During each period of four weeks, the average of broadcasting by any station or network of non-Canadian programmes shall not exceed: (a) 40 per cent between 6:00 a.m. and midnight; (b) 40 per cent between 6:30 p.m. and 11:30 p.m.; (c) 30 per cent in programmes produced in any one country outside of Canada.

2. Sponsorship of news programmes shall be permitted subject to certain regulations.

3. Advertising material (including non-commercial promotions) shall not exceed 12 minutes per hour.

Radio.

1. Musical programming in radio prime time must be 30 per cent Canadian.

2. A station will be required to have oral or written consent to a telephone interview or conversation being broadcast prior to the broadcast. A person who telephones the station shall be deemed to have given this consent."

I know you have only just seen these. You saw them late this morning.

Mr. Campbell: I got these in this room at 11:10 this morning. They are proposed new regulations. There will be public hearings on them, and I am sure a great deal is going to be said about these two particular proposals. I think it is very clear what the objectives of the CRTC are, and it appears that there are many ways that this is going to affect the day-to-day operation, not only of the television stations, but also of the radio stations. My only general comment without getting into specifics is that we tend to look upon radio and television possibly as some form of entertainment, and when we get into 70 per cent Canadian content, the U.K. and Commonwealth shows which have been up to this point allowed as Canadian content, and now are wiped out, I think really we have a whole new ball game if in fact, these regulations come into force.

The Chairman: Yes, they are all proposals. I think we should understand that.

Mr. Campbell: As to the 30 per cent Canadian music rule, this is going to be quite easy for many stations to do. I don't think we are going to have much problem with 30 per cent in country and western or with rock. Where we run quality music, I don't know, because we just don't have it. We are running now only about 6 per cent Canadian records; so we are going to have some problem there, but you can very readily appreciate what the objective of the Commission is, and what they are trying to do.

The Chairman: Thank you so much for putting yourself on the record in this way. I should say that you have just seen this a few hours ago, as we have ourselves, of course, and we are grateful for your comments.

Mr. Fortier: I wonder if Mr. Campbell would like to enlarge on what he meant when he said, "This is a new ball game."

Mr. Campbell: Well, yes, I would be glad to. I just jotted down at lunch-hour, a few of the things that this will mean. Having looked at the positive—what the Commission is trying to do—let's look at some of the negative aspects as well and then you will realize why I say, "We have a new ball game."

First of all, the advertising time is going to be cut down and consequently our costs to the advertisers, I think, are going to increase. We are now going to have four breaks in an

hour. The advertiser isn't going to like that change on the commercials; so with all of these things, automatically our costs are going to increase from a production and programming point of view. It is much easier to programme something out than to create something to put in.

A programme such as "Laugh-In" costs \$6,500 for an hour, and it costs \$17,000 to produce "W-5". It is a lot more, of course, when you don't have as many commercials.

We promoted our own programmes on the networks, but this did not qualify as advertising when you were adding up the commercial breaks; so that promotion in effect is going to go out, and as I mentioned, the Commonwealth, and then of course we can co-produce. We are doing a great deal to get into co-production. Now, I think—if these regulations are in fact accepted—you are going to hear an awful lot about co-production.

Mr. Fortier: Senator Everett whispered a question. What is co-production?

Mr. Campbell: Well, what it means is that we will get together with perhaps an American star or someone from the U.K.

Mr. Fortier: Barbra Streisand?

Mr. Campbell: Yes, that's a good one. We will bring her to Toronto. We will put a Canadian producer on and a Canadian writer who will use the CTV facilities to produce the show or it will be produced co-operatively with the CBS or ITV in England. We share the front money, as they call it in the trade, and we are able to do that kind of show and count it as Canadian and hopefully show it in several countries. Whether that will qualify if these regulations are accepted—they have dropped Commonwealth programming now, but I don't know what their feeling is or co-production.

Mr. Fortier: I think the Prime Minister's approach would be sort of eased if she could be considered as Canadian content.

Mr. Campbell: Perhaps—we will do our best.

The Chairman: I think, perhaps, Mr. Fortier should confine his remarks to the questions at hand.

Mr. Fortier: Mr. Campbell, as I read your brief on behalf of the company, I noted in paragraph 17 that you established the fact that your company's basic interest is in the

printed word, and my first question to you is have you ever considered going into the newspaper publishing business?

Mr. Campbell: Yes, sir, we have. We have made one or two attempts down through the years bidding on certain papers that were up for sale. We looked quite strenuously and spent a great deal of time on appraising the recent Peterborough situation when it came up for sale. We are interested in daily newspapers.

Mr. Fortier: You still are as a Company?

Mr. Campbell: Oh, yes; on the other hand, I wouldn't want to mislead you that the Company is going to start a fourth Toronto newspaper. We don't think that it is practical.

Mr. Fortier: What would be the ideal market that you would look for from the point of view of publishing a newspaper by Maclean-Hunter—the *Toronto Star* for example?

Mr. Campbell: The *Star*, the *Telegram*—to start a paper?

Mr. Fortier: Yes, would you ideally go into a market where you already have, say, a radio and television station?

Mr. Campbell: No, we wouldn't necessarily.

Mr. Fortier: What are your views on mixed media ownership by one company?

Mr. Campbell: Well, personally, and I guess it's our company's view as well—I am sure my friends here will correct me if they have different views on this—my view is that there's nothing wrong with mixed media ownership providing it isn't concentrated in a particular market, and we have one or two markets in which there is extreme concentration. On the other hand, there are certain people who have tried, and successfully gone into, one of those markets. But in my opinion, with a newspaper in Vancouver and *Maclean's* magazine in Toronto and a radio station in Calgary, I really don't see anything wrong with it. In fact, I can see a lot of good things about it.

Mr. Fortier: Have you any plans to form a network or in any way to integrate your television and cable holdings?

Mr. Campbell: No, where we have cable, we don't have television and vice versa.

Mr. Fortier: And that is Company policy?

Mr. Campbell: Not quite—yes, it is company policy in that we will not go after a controlling or majority position in a cable system where in fact, we are already in that market with radio or television. However, we have made application for a minority interest, 24 or 23 per cent, in the Calgary market as and when Calgary gets heard, but we would not consider going and making application for 100 per cent of the licence.

Mr. Fortier: This increasing concentration, since 1962, in the broadcasting media by Maclean-Hunter—does that indicate that you consider print to be a waning medium?

Mr. Campbell: Not at all. I would think that while our investment possibly hasn't been quite as high in the last five to ten years in print, there are not necessarily the same opportunities say for daily newspapers. But we have made substantial investments in the print media during the past five or ten years.

Mr. Fortier: I think I should direct this question also to you, Mr. Campbell. You were here this morning?

Mr. Campbell: Yes, I was.

Mr. Fortier: ...for the presentation of the Southam Business Division. You probably heard Mr. Daly refer to the dubious methods of certain consumer magazines in soliciting subscriptions.

Mr. Campbell: Yes, I heard those comments.

Mr. Fortier: Would you care to comment on them?

Mr. Campbell: As the magazines are part of Mr. McEachern's operations, may I ask him to comment on that.

Mr. McEachern: Yes, I am glad to.

Mr. Fortier: You heard about the lady eighty-five years of age who was induced into buying a thirty-year subscription to *Maclean's*?

Mr. McEachern: May I tell you a few things about our regulations on magazine selling. Our director of circulation is here, and after I say a few things, I am going to ask him to speak.

Now, anybody, and I repeat "anybody", who has signed up for a subscription and then changed his mind can always get his money back.

Mr. Fortier: Would you give him his money back if you went out of business?

Mr. McEachern: You know ABC Regulations.

Mr. Fortier: Yes, what would you do?

Mr. McEachern: You have answered your own question. Salesmen are specifically warned about doing business with any person over seventy. Any complaint by an elderly person or their relative or their friend puts the salesman immediately into trouble, and he gets fined for the first offence. By the second offence, he is fired.

It is the employers of registered salesmen who must pay the fine. This means salesmen with a record of rule breaking become expensive to the employer; they become too hot to handle; and rather promptly get pushed out of the business.

Senator Everett: What is the amount of the fine, fifty dollars?

Mr. Rumgay: Fifty dollars for the first and then a hundred and up.

The Chairman: I wonder if you could introduce the speaker.

Mr. McEachern: Mr. Gordon Rumgay.

The Chairman: And he is the circulation manager?

Mr. McEachern: Of consumer magazines.

The Chairman: He is going to talk in just a minute.

Senator Everett: This fifty dollars is levied by ABC, is it?

Mr. Rumgay: Canadian Central Registry was set up by the Canadian publishers who are the main contributors to this thing. It licenses all salesmen. They are photographed, and CCR clears them as to their record. If they get into trouble, they will lose their licence, and this is quite an effective policing organization.

Senator Everett: You say that if on this first offence, the salesman is fined fifty dollars, it has to be paid by the publisher?

Mr. Rumgay: His employer.

Senator Everett: His employer has to pay this. The second offence is one hundred dollars. Is that right?

Mr. Rumgay: Yes.

Senator Everett: Who demands that the salesman be fired after one offence?

Mr. Rumgay: It is likely to be his employer.

Senator Everett: I just want to clear that point. It isn't the CCR?

Mr. Rumgay: No.

Senator Everett: What you are talking about is Maclean-Hunter policy?

Mr. Rumgay: Yes, it is Maclean-Hunter policy.

Senator Everett: What you are saying is that Maclean-Hunter policy is that if a salesman has one offence for which the company is fined by CCR, you pay the fine. On the second offence, you terminate the employee's employment. Is that right?

Mr. Rumgay: Yes.

Senator Everett: I am just asking if it is the policy of the company.

Mr. Rumgay: Policy, yes.

The Chairman: Is that a policy in the industry?

Mr. Rumgay: May I come on to my next paragraph? In Canada, Maclean-Hunter is the biggest and most visible of the magazine publishers, but Canada also has a lot of other magazine selling operators who deal mainly in American publications—*Time*, *Life*, *Look* and dozens of others.

In many cases, these other sales organizations wish to sell some Maclean-Hunter publications as well as their own. So there is some magazine selling activity in Canada sometimes involving our publications over which we at Maclean-Hunter do not have direct control.

One American operator who got the U.S. Senate extremely steamed up about sale practice is also extremely active in Canada.

The Chairman: I don't want to interrupt the thing you are going to read, but how can these American companies sell your magazine without your permission?

Mr. Rumgay: With our permission.

The Chairman: Fine.

Mr. Rumgay: There is a difference. We have more control over the people working for us than over the people working for some body else.

Let me point out that in one year, there are about twenty-five million contacts between somebody trying to sell a magazine and somebody who is supposed to be a customer. Everybody in this room knows that with twenty-five million contacts, something is going to go wrong sometimes. I am in the position in our company to know, especially when things do go wrong. I can assure you it is amazingly seldom. For twenty-five million—I suppose half of these involve our magazines in some way or the other—the number of real complaints is surprisingly small.

The Chairman: Any more questions?

Senator Sparrow: So, in fact the question of selling—was it an eighty-year subscription to a thirty-year-old woman or a thirty-year subscription to an eighty-year-old woman?—the subscription that was referred to in this particular case, in fact, happened with *Maclean's* magazine?

Mr. Rumgay: I don't know. If the Senator said it did, we accept it. But I have no recollection of that particular case.

The Chairman: It wasn't a Senator who said it. It was Mr. Fortier; so it may not be true.

Mr. Fortier: It was told to me by a Senator.

The Chairman: It was a suggestion perhaps.

Mr. Rumgay: Refunds are made upon request on any magazine sold by any of our own operators. Subscriptions sold to our magazines by operators over which we have no control, we cannot refund because we do not get that money. We get a very small percentage of the subscription price. Refunds are made by all bona fide or practically all bona fide agencies, both Canadian and American. They have agreed to certain ethics, standards of practice, and they have agreed that salesmen who in any way break the law of CCR, be fined as has been outlined.

Certain operators coming in from the United States are not members of CCR and are not allowed into CCR because their work practices in the States are known to us, and therefore we will not have them in the registry.

Each salesman is given a sixty-day licence. It is good only for sixty days. It is issued to him on the basis that he will perform according to the rules and regulations of the Registry. Failure to do so will result in a non-issuance of his licence when the time comes.

Mr. Fortier: Let's take a given year, 1969 or 1968. How many of your new subscriptions are obtained by people over whom you exercise some form of control, and what percentage by the others?

Mr. Rumgay: At the present time, somewhere in the area of 75 per cent of all subscriptions, for all magazines are sold through our own operations.

Senator Everett: These are people directly employed at *Maclean's*?

Mr. Rumgay: Or through direct mail.

Mr. Fortier: Do you use Trans Canada Readers Service?

Mr. Rumgay: Trans Canada Readers Service, we do. That is a Canadian operation and a subsidiary of Maclean-Hunter.

Mr. Fortier: That is a wholly-owned subsidiary, is it?

Mr. Rumgay: Yes.

Mr. Fortier: Is it available also as a vehicle to other magazines in Canada?

Mr. Rumgay: Yes.

Mr. Fortier: Is it available as a subscription vehicle to American magazines?

Mr. Rumgay: Yes.

Senator Sparrow: I am sorry. Does that 75 per cent represent renewals or everything?

Mr. Rumgay: Everything—of our total circulation of any given year, 75 per cent of those people are people who subscribe through one of our own operations.

Senator Sparrow: What about new subscriptions then?

Mr. Rumgay: I am sure the same percentage would be true. It might even be higher.

Mr. Fortier: How many of your employees would have been censured by CCR in the last two years?

Mr. Rumgay: We have probably lost twenty-five or thirty.

Mr. Fortier: Out of?

Mr. Rumgay: Our average is about two hundred door-to-door salesmen. They change over quite rapidly. The door-to-door salesman doesn't work as a door-to-door salesman for many years.

The Chairman: Do these representatives sell American magazines as well?

Mr. Rumgay: Yes, some of them do and some of them don't.

The Chairman: But they are able to?

Mr. Rumgay: Some are and some are not able to.

Mr. Fortier: So, sort of the only tribunal for a complaint is the CCR. Is that correct?

Mr. Rumgay: There are also Consumer Protection Bureaus set up in various provinces, very active in this field, with whom we cooperate one hundred per cent.

Mr. Fortier: Do you have any of your representatives on the CCR Board?

Mr. Rumgay: Yes, the assistant circulation director is the Chairman of the CCR Board.

The Chairman: Would it be possible for us to have a set of the by-laws and regulations of CCR? Could you send those to us, Mr. Rumgay, at your convenience please?

Mr. McEachern: I presume everybody here is aware that in about five of the provinces there are 48-hour or 72-hour or 5-day rules that with anything bought from door-to-door, people can be protected. So that in addition to Maclean-Hunter's decision to give your money back, under the CCR rule, where there is no argument about it, they have to give the money back. As a result, the door-to-door people are behaving themselves a lot better than they were ten or twenty years ago.

Senator Everett: The 25 per cent that are not now controlled by Maclean-Hunter, are they particular organizations, and are there many of them?

Mr. Rumgay: There are some fairly active organizations in Canada. There is a very large mailing house in the United States, Publishers Clearing House. I am sure you have heard of this. There is the school plan which is where the children sell magazines and the school receives the profits. There are several of the Cowles' operations in Canada. Civic is here. Mutual is here. I might say, however, that many of the Americans are leaving Canada, partially because of the O'Leary Report. American publishers are not as interested in getting huge circulations in Canada.

The Chairman: Is the Home Readers Service here?

Mr. Rumgay: Yes.

The Chairman: What about Home Reference Library?

Mr. Rumgay: Yes.

Mr. Fortier: I think we would like to have on record your views. Mr. McEachern has said there has been a substantial improvement in the last ten years. Is it your evidence that the high-pressure methods by magazine salesmen are very few and far between in Canada today?

Mr. Rumgay: Yes, because high-pressure methods don't work any more. The public is too sophisticated, and there are too many provincial laws that allow them to rescind the contract anyway; so you may pressure them into the sale, but twenty-four hours later when they have the time to think about it they will say "no".

The Chairman: On this same subject, Mr. Rumgay, you stated that Trans Canada Readers Service, and please correct me if I am wrong, makes twenty-five million contacts a year.

Mr. Rumgay: What I mean is that twenty-five million contacts a year are made by all subscription sales people in Canada.

The Chairman: And how many adults are there in Canada?

Mr. Rumgay: There's probably then, twelve million.

The Chairman: So, it may not be high-pressure selling, but it is certainly very aggressive. Would you agree with that?

Mr. Rumgay: Yes, we would like to feel that we contact every one at least twice each year.

The Chairman: So that means I can look forward to several approaches in the future. Perhaps one of the key questions we have to put here is, is it that tough to get subscriptions?

Mr. Rumgay: The subscription business is like any other. It is competitive. When we allow American magazines to take orders for American subscriptions, then Canadian magazines are going to suffer accordingly; so we have to be just as aggressive as they are and more aggressive in terms of making contact.

Senator Everett: I am very interested in this 25 per cent not part of the CCR.

Mr. Rumgay: I said 25 per cent aren't Maclean-Hunter operations.

Senator Everett: Yes, you are right. You did say that.

Mr. Rumgay: 95 per cent of all subscription and publisher's agencies are members of CCR.

Senator Everett: In your judgment, they do not indulge in continuing questionable tactics?

Mr. Rumgay: Not continuing, no. I think from time to time somebody gets out of line, of course. When you have large numbers of people selling from door-to-door there's got to be a few who are going to get out of line.

Senator Everett: That leaves 5 per cent not members of CCR, and I gather, for the most part, from American operations?

Mr. Rumgay: Yes.

Senator Everett: For the most part, they are questionable in their tactics?

Mr. Rumgay: Let me say that we don't let them sell our magazines and that they are not members of the CCR.

Senator Everett: You say that you don't let them sell your magazines?

Mr. Rumgay: Right.

Senator Everett: You won't let them handle them at all?

Mr. Rumgay: That's right.

Senator Everett: In fact, they do not sell our magazines?

Mr. Rumgay: That's right.

Senator Everett: I have here a direct mailing from the Publishers Clearing House from which you could win a seventy-thousand-dollar home and numerous cars, a trip to Paris, a Cadillac Eldorado. The list just goes on and on and on.

Mr. Fortier: Could you win a magazine subscription?

Senator Everett: Could you tell me, if I pass this over to you, how many of your publications are depicted in that?

Mr. Rumgay: Three of them, or to include the French publications as separate units, there would be five: *Chatelaine* French and *Maclean's* French. The French is very insignificant

because they do not mail into French Canada.

Senator Everett: What do they say there about *Maclean's*?

Mr. Rumgay: If I could find it, I would be glad to tell you. It says

"Bearer is entitled to 36 issues
of *Maclean's* (3 yrs)

regularly by subscription \$5.00
by single copy \$12.60
Our Price Only \$3.98"

Senator Everett: Their price is \$3.98. In your direct mail subscription, what would you sell it for?

Mr. Rumgay: Well, the prices vary. You might sell twenty issues for two dollars.

Senator Everett: Let's talk about a comparable term of three years.

Mr. Rumgay: For three years, if you are talking about a regular price, it is five dollars, and we would sometimes sell it for five dollars to regular subscribers. We might on other occasions sell it for about that price.

We are members of ABC and under ABC, you must receive 50 per cent of the basic annual subscription price in order for the circulation to qualify; so you can only go to a certain level, and this is about it. This is about as far as you can go.

Senator Everett: The Publishers Clearing House would buy that from you?

Mr. Rumgay: It would send a subscription to us and remit some money to us for it.

Senator Everett: How much would they remit to you for the same subscription?

Mr. Rumgay: Their arrangement with us is, I believe, 15 per cent.

Senator Everett: 15 per cent?

Mr. Rumgay: Right.

Senator Everett: They send you 15 per cent?

Mr. Rumgay: That is correct.

Senator Everett: Let's try and work that out in dollars. That's sixty cents; so the *Maclean's* magazine which has a regular subscription price of \$5.00, that you would sell for in excess of \$2.50 because of the ABC regulations, is sold to the Publishers Clearing House for sixty cents?

Mr. Rumgay: Well, I think the term "sold" is not the best term. The commission arrangement is such that they keep 85 per cent, and send us 15 per cent.

Senator Everett: Maclean-Hunter's income on that subscription is sixty cents?

Mr. Rumgay: Yes.

Senator Everett: And ABC accept that as having been sold, for their regulations?

Mr. Rumgay: The only thing that matters to ABC is what the customer pays.

Mr. Fortier: If there is such a thing as a typical subscription, let's say, on a five-dollar subscription, how do your costs of securing that subscription average out?

Mr. Rumgay: Well, I would have to know what you meant by "costs". If you are talking now about the commission arrangement, I can give you that easily. If we are talking about sales costs and that sort of thing, it is difficult. Generally in the magazine business, door-to-door salesmen, the key people in the door-to-door sales operation, remit to their clearing house about 20 to 25 per cent. The clearing house in turn sends about 10 per cent to the publisher.

Mr. Fortier: Do your consumer magazines show a profit on circulation?

Mr. Rumgay: Yes, they do.

Mr. Fortier: Not on an accrual basis, but on a year-to-year basis?

Mr. Rumgay: Yes, they do.

Senator Everett: What does a door-to-door salesman generally sell a three-year subscription to *Maclean's* for?

Mr. Rumgay: For five dollars or sometimes a special rate which we sometimes have. We must never sell at more than our published price.

Senator Everett: And you say *Maclean's* return on that is 10 per cent?

Mr. Rumgay: That's right.

Senator Everett: And that is fifty cents for the three-year subscription.

Mr. Rumgay: Yes.

Senator Everett: Do you have volume requirements in making an arrangement with people like the Publishers Clearing House?

Mr. Rumgay: We do not.

Senator Everett: How do you determine that? Can anybody come to you if they are prepared to abide by CCR rules?

Mr. Rumgay: And put up a bond.

Senator Everett: How much?

Mr. Rumgay: Five hundred dollars.

Senator Everett: I am talking about a distribution house here, not an individual salesman.

Mr. Rumgay: Yes.

The Chairman: I am sorry. I was going to ask:- does the Trans Canada Readers Service sell in the United States?

Mr. Rumgay: No.

The Chairman: Not at all.

Senator Everett: I wonder if I could have that circular back. I may want a trip to Hawaii.

Mr. Fortier: Given Mr. Daly's statement this morning, that qualified circulation is as effective as paid circulation, have you ever considered going into controlled circulation with your consumer magazines?

Mr. McEachern: Sure, we thought about it but despite what you may think about what you heard in the last few minutes...

Mr. Fortier: What am I thinking?

Mr. McEachern: You are confused by some...

Senator Everett: If we are confused, I think the confusion should be straightened out.

The Chairman: I think Mr. McEachern was using that word in a different sense, I think in a specific sense.

Mr. McEachern: Our sales operation operates at a surplus, which for a general magazine is a very satisfactory operation. Some who are in the same kind of business think we are doing very well, and I mean that. We didn't always operate at a surplus. This is a development of rather recent years; so that for a general kind of magazine, the controlled circulation basis is not attractive at the present time.

Mr. Fortier: Do you envisage it at any time becoming attractive, and if so, what could change to make it attractive for the market?

Mr. McEachern: If a situation developed where for some reason, somebody wanted, say, twice the circulation, wanted *Maclean's* to get into every house in Canada, no matter what kind of a house, well, then we would have to rethink all this.

If an advertising situation developed where instead of, say, about a million circulation, we decided these kinds of magazines would be better at forty thousand of a certain kind of house, this again would be rethought; but, here, in all publishing decisions, you think of all these things, but at the present time, at a million, that is the way it works.

Mr. Fortier: Given the broader appeal of general interest magazines, would you not seek to have it reach as many homes as possible?

Mr. McEachern: Theoretically, perhaps, you might say the perfect general magazine might end into every home in Canada. That would create quite a few problems for us. We wouldn't possibly break even on our circulation.

Secondly, what advertiser wants to pay a great deal to get his message into every home in Canada? We are riding at a balance. Our present formula works.

Mr. Fortier: And you don't believe that in the foreseeable future, consumer magazines such as *Maclean's*, *Chatelaine* and their French counterparts will go from paid to qualified circulation?

Mr. McEachern: No, not in the foreseeable future.

The Chairman: Mr. McEachern, are you concerned about American overflow magazines?

Mr. McEachern: Oh, yes, always.

The Chairman: How do you react to Trans Canada Readers Service selling subscriptions to American magazines?

Mr. McEachern: The American overflow is going to continue regardless of what Trans Canada does.

The Chairman: Trans Canada makes some money on it.

Senator Everett:

Senator Everett: I think you said that Maclean-Hunter handles 75 per cent of the subscriptions to their own periodicals. Is that correct?

Mr. Rumgay: That is correct.

Senator Everett: And that you will refund the subscription price if there is a valid complaint against the salesman?

Mr. Rumgay: On those sold by our own organization, that is correct.

Senator Everett: But you will not refund on those sold by other organizations such as Publishers Clearing House?

Mr. Rumgay: No.

Senator Everett: Because you don't make enough money out of it?

Mr. Rumgay: We don't have their money to refund.

Senator Everett: Do you take any interest in whether or not they made a refund in the case of a valid complaint?

Mr. Rumgay: Of course.

Senator Everett: What do you do?

Mr. Rumgay: If the complaint came to us instead of to Publishers Clearing House, Maclean-Hunter would, in almost every case, make the necessary adjustment.

Senator Everett: If they didn't, there must be cases where one of these organizations just doesn't as a consistent policy make refunds at your direction?

Mr. Rumgay: I don't think we could do an awful lot. The type of operation that you are thinking about would not be one like Publishers Clearing House, which sells by direct mail. For example, on the Cowles operations, they might sell a large contract of which our magazines might be a part. There is not much we can do. We are not in a position every time to say to Cowles, "You may not handle our magazines."

Senator Everett: What do you mean by a "large contract"?

Mr. Rumgay: One hundred dollars, a hundred and ten dollars perhaps.

Senator Everett: To one person?

Mr. Rumgay: Yes, but for several magazines because there are seven or eight magazines on that contract.

Senator Everett: But if Cowles consistently got you into that situation...

Mr. Rumgay: But they don't.

Senator Everett: There must be cases, and I understand there are cases where it does happen that you have continuing problems with certain distributors and that you continue to supply them.

Mr. Rumgay: Our contract arrangements would be that we would continue to service the magazine unless we were instructed by Cowles not to.

The Chairman: Could I just ask one other question perhaps? We don't want to spend all afternoon on magazine subscriptions, gentlemen.

The Cowles company—I have a list of five of their subsidiaries in front of me, and you have recorded, Mr. Rumgay, that all of these subsidiaries are actively selling magazine subscription in Canada. Are they competitive with each other?

Mr. Rumgay: Yes.

The Chairman: Couldn't we all presumably buy a subscription to *Maclean's* from any one of them?

Mr. Rumgay: Each one sets up franchised outlets, on somewhat the same arrangement you might have from Frostee-Freez. The person in that particular city owns the company. He is competing with other franchisers set up under a different name by the parent operation.

The Chairman: Would you say that again? If you would speak a little more loudly...

Mr. Rumgay: Cowles Incorporated gives a franchise in Toronto to Civic Reading Club; he is a businessman in his own right. He owns the franchise. At the same time, they could give a franchise to Mutual Readers, to some other person in Toronto. Those two persons have no connection whatsoever. They are competing with each other.

The Chairman: Even that's a questionable practice, isn't it?

Mr. Rumgay: General Motors licenses a lot of General Motors dealers in Toronto.

The Chairman: That's a good point. Mr. Fortier?

Mr. Campbell: Mr. Chairman, if we are going to leave this subject, I don't want to leave this on a negative note. We are not out to gouge anyone. We are out to deliver a quality product for a proper price, and I get the impression that perhaps, as we go the

other way and do everything possible to make refunds and so on, there can be the attitude that we are in fact gouging the public, and nothing could be further from the truth.

Senator Everett: Surely, but is it right that in the relatively small percentage of cases that you have no control over, where questionable practices are indulged in, that you do not take the ultimate step of refusing to supply those people with magazines?

Mr. Campbell: Yes, I think we must think of our image, and certainly if there was a bad case, I am sure that Mr. Rumgay would cut them off fairly promptly; in fact, immediately. His point is that this is not happening, and our people are reputable, and we will make every effort to see that Canadians get fairly treated.

The Chairman: Without leaving it on a negative note, and perhaps I could put the question which should leave it on a positive note. The Executive Vice-Presidents here must be concerned about this whole area. It must be a worrisome problem.

Mr. McEachern: We are very concerned because Maclean-Hunter is the most visible magazine publisher. We are probably hurt more than anybody else when these complaints are made. I might point out that the complaints are extremely popular with the daily newspapers because, you know, the appearance of a story about gouging a little old lady in Truro makes a good daily newspaper story. We get a great deal of bad publicity and it is extremely painful, I can assure you. I think we have told you all the things we do to try and avoid these messes. If you could tell us anything else we can do I shall be grateful.

Senator Everett: I don't think there was any suggestion in the line of questioning, but one thing that bothered me was the statement that I thought Mr. Rumgay made, that you wouldn't cut them off. Any criticism I might have...

Mr. Rumgay: Senator, we might get twenty complaints out of two million calls. I am responsible for the subscription department that handles the mechanics of putting these through. There is the odd letter that goes to the President. There is the odd letter that goes to the Editor or Mr. McEachern, the publishers, but they are totally in the proportion of twenty complaints out of two million calls.

The Chairman: May I put a final question and relay it to you, Mr. McEachern? There is in fact, as I am sure everyone knows, in the United States, a Federal Grand Jury inquiry as well as a study by the United States Federal Trade Commission, two separate studies, examining magazine subscription selling in the United States. I would feel reassured if you could tell me that the situation in Canada is better than it is in the United States.

Mr. McEachern: First of all, the intensity of competition in the United States is really worse than it is in Canada. Secondly, *Look* and the Cowles operation is fighting like mad for its financial health. They are really in trouble with *Look*, with their daily newspaper and their other affairs; so it is, "Push!, Push!, Push!" There is none of this "think it over" legislation such as we have in five provinces in Canada, so that in the United States, a person who does buy something at the door and an hour later or the next day finds it was stupid, is stuck with it. This doesn't prevail in Canada.

The Chairman: I do want to leave it.

Senator Smith: How important are newsstand sales to your company?

Mr. Rumgay: They make some money and secondly they are an instant gauge to the popularity of the magazine. If the newsstands start to fall away, we think we are not editing properly.

The Chairman: You can make a judgment from issue to issue?

Mr. Rumgay: Right.

Senator Smith: Why do you put a high price on the newsstand edition? Now, you are willing to accept a very small amount of money for a three-year subscription.

Mr. Rumgay: Let me answer that in two statements. The first thing is that we put a high price on the magazine because we want to make as much on it as we can, and secondly, the amount of money that the agency commits to us is only half of the story. We then have an opportunity to get this subscriber, who bought through the various field organizations, to renew directly with us at the full rate. More than half of our circulation revenue comes from renewals.

Senator Sparrow: Trans Canada Readers Service—do you own or have any interest in it?

Mr. Rumgay: Yes, it is a small operation that we started about five or six years ago.

Senator Sparrow: Do you own it?

Mr. Rumgay: Yes.

Senator Sparrow: Totally?

Mr. Rumgay: Yes.

Senator Sparrow: It is an incorporated subsidiary?

Mr. Rumgay: It is a registered trade name, not a subsidiary. It is a name under which we operate.

The Chairman: Gentlemen, I think we have perhaps dealt with magazine subscriptions. I am going to suggest, Senators, that we give the reporter a five-minute break. We will reconvene at 3:55. The only thing I can assure the witness is that the first question will not be on magazine subscriptions. (Upon resuming)

The Chairman: If I might call the session back in order. Mr. Fortier, any question that you want, except on magazine subscription selling, will be in order.

Mr. Fortier: My question is again directed to Mr. McEachern. In your brief oral presentation this afternoon, you spoke in very positive terms about general interest consumer magazines. I think we could take judicial notice of the fact that in the United States, that industry has been having some difficulties in recent years. *Saturday Evening Post* has gone out of circulation; in Canada the *Star Weekly* has gone out of circulation; and I think you alluded today earlier to the fact that *Look* and *Life* magazines are having problems. Would you make a few comments as Executive Vice-President of Maclean-Hunter, which publishes very substantial general interest consumer magazines, on the question: is there a future in Canada for those magazines?

Mr. McEachern: I will repeat what I said earlier. I believe there is a very valid national interest in us continuing to do this. I previously pointed out that our company sincerely believes that publishing these general interest national magazines in Canada has a bigger purpose than simply generating profit. With our growing electronic and other diverse operations, Maclean-Hunter, more than ever, is able to take, shall we say, a generous view of our position on the magazines, with their "very inadequate profit performance."

Now, when you come to the American situation, may I point out that *Saturday Evening Post* got into an awful mess because of the mismanagement of that company. They got into a great mess not because *Saturday Evening Post* was a good or a poor or an anachronistic magazine but because the management made a total mess of things. *Life* magazine is having serious trouble. Its management has been trying to work out a new formula for *Life*. The point I make, Mr. Fortier, is that in the instances of trouble in what we call "general magazines" in the United States, the trouble is not just because they are general magazines. There are other factors too.

Mr. Fortier: Do you still make the point that in Canada, Maclean-Hunter considers that its consumer magazines have a special role to play?

Mr. McEachern: We believe so, and we believe that we can continue to do this at an acceptable financial position.

Mr. Fortier: All right, let me ask you this then. Bearing in mind the generality of that expression "an acceptable financial position,"...

Mr. McEachern: You have the figures.

Mr. Fortier: ...how many years—for how long would you as a company expect to carry a general interest consumer magazine at a loss?

Mr. McEachern: Sorry. How can I answer that question?

Mr. Fortier: Well, I put the question to you. I think it is a valid one. How long would you?

Mr. McEachern: All right, all right, we have had ten, twenty years of a great deal of misery with these magazines. We are now in far less misery than during the last twenty years; so now is not the time to ask me about going out of business.

Mr. Fortier: Well, *Hostess* went out of business.

Mr. McEachern: Well, that is a special situation.

Mr. Fortier: I suppose there are always special situations. Why did it go out of business?

Mr. McEachern: Postal rates.

Mr. Fortier: Only, or was that the last straw?

Mr. McEachern: *Hostess* was a little idea for a controlled circulation publication of eight hundred thousand circulation, which was going to be given away to selected households. On that basis, at the previous postal rates, the idea might have worked out. For certain advertisers, this might have been attractive. It went to the higher income homes, the homes with young people. However the new postal rates raised our mailing costs on *Hostess* from one cent to four cents a copy. *Hostess* couldn't exist.

The Chairman: Was that magazine a response to *Homemaker's Digest*?

Mr. McEachern: In a way, yes. Is *Homemaker's Digest* still publishing?

The Chairman: I realize that's not one of your publications.

Mr. McEachern: The last I heard they were struggling. Are they still publishing?

The Chairman: *Homemaker's Digest* reorganized and recovered a million and a half dollars of indebtedness and are forming a new company and they are issuing the publication.

Mr. Rumgay: *McLean's* magazine has not been published for sixty-five years. *Chatelaine* has been going for forty-two years. That's part of the answer.

The Chairman: Except the *Saturday Evening Post* had been going for how many hundred years?

Mr. McEachern: If we start running more than it now is being run, your prediction might come true.

The Chairman: In fairness to Mr. Fortier, don't think it was a prediction.

Senator Langlois: What was the total increase in cost due to postal rates for *Hostess*?

Mr. McEachern: On all the magazines?

Senator Langlois: *Hostess*.

Mr. McEachern: Only on *Hostess*, oh, from one cent to four cents on eight hundred thousand.

Senator Langlois: But the total was eight hundred thousand?

Mr. McEachern: Eight hundred thousand.

The Chairman: Mr. Hodgkinson, who is the publisher of *Chatelaine* will be here next week, but you can give us this information; so please do.

Mr. Lloyd M. Hodgkinson; Director of Maclean-Hunter Limited and Publisher, Chatelaine Group: Yes, I introduced *Hostess*. The initial postage—we actually had eight hundred and ninety-five thousand circulation; so we paid \$8,950.00 postage per issue. That increased to approximately \$35,000.00 per issue. So the increase represented two hundred thousand postal increase.

Mr. Fortier: What is the main factor in Canada which in certain quarters is putting in doubt the viability of general interest consumer magazines?

The Chairman: Well, in fairness to the witness, I don't think Mr. McEachern has suggested that the viability is in doubt.

Mr. Fortier: I said in some quarters, it has been expressed.

The Chairman: In fairness, the view has not been expressed by Mr. McEachern...

Mr. Fortier: I didn't attribute that to Mr. McEachern.

The Chairman: Fine, as long as that is clear.

Mr. McEachern: Well, a lot of people are saying the things you have said about the *Saturday Evening Post* going out of business; hence that means our kind of magazines in Canada will go out of business. The points I made earlier were these: more people with a higher level of education, with more leisure and more discretionary income. More people are reading more books than anybody 25 years ago would have dared to predict. Television gets enormous attention. But the general magazine has the lasting advantage that it stays around the house so you can pick it up, look and read when you want to, when you want to, when you are in the mood. The TV schedule makes you the slave. Not so the magazine.

The Chairman: It will soon be "when you want it" for TV. Technological changes are changing that...

Mr. McEachern: Well, you could record our own.

The Chairman: I could go home tonight and watch last night's hockey game.

May I ask a question which relates to Mr. Fortier's? I made a note. I think you said that the circulation of the Canadian consumer magazines—and you used the example of *Maclean's* and *Chatelaine*—is proportionately much larger than the circulation of the magazines, *Newsweek*, *Life* and *Playboy* and so on. You did say that, and then you also said—perhaps you didn't say it, I believe Mr. Campbell said, that the per capita advertising expenditure in Canada is half of what it is in the United States. How do those two statements relate? I would imagine, given Mr. Campbell's statement, that we might expect the exact opposite in terms of Canadian consumer magazines themselves. Is there any explanation?

Mr. McEachern: In Canada there are only five or six magazines of any size circulation. In the United States, you have dozens and scores of consumer magazines.

The Chairman: There is no American magazine which comes close to dominating the American magazine market, but we have *Maclean's*?

Mr. McEachern: Yes.

Mr. Fortier: In answer to one of my earlier questions, Mr. McEachern, you said that I was depicting the situation which prevailed some ten years ago, but since then, things have gotten better. Before the O'Leary Commission some ten years ago, MacLean-Hunter represented that Canadian magazines were "threatened with extinction because of inequitable competition in circulation, as well as in advertising." The reference, of course, as we all recall, was to *Time* and *Reader's Digest*.

The Chairman: That quotation is from...

Mr. Fortier: Page thirty-one of the O'Leary Report. Since that time—we all know what has happened with the O'Leary recommendations as it affected *Time* and *Reader's Digest*. Since that time also, *Time's* share of magazine advertising revenue has increased steadily. It is now in fact, thirty-six cents out of every dollar spent in Canada. Since that time, the Magazine Advertising Bureau has been formed, and you are now in effect in bed with *Time* magazine and *Reader's Digest*. My question to you is: do you feel that they were wrong now in representing to the O'Leary Commission that there was inequitable competition?

Mr. McEachern: We retract nothing we said to the O'Leary Commission.

Mr. Fortier: Would you like to qualify it then?

Mr. McEachern: A great many things have happened since then. Now, the theoretical answer to a question about *Time* and *Reader's Digest* is, "Yes, like all the other American magazines, they should have left the country". However, they didn't. They are now well entrenched; so it is one of the facts of life that *Time* and *Reader's Digest* are here.

Mr. Fortier: Is that why you did not mention them at all in the Company's brief?

Mr. McEachern: Well, I didn't do the brief, but I wouldn't think so.

Mr. Fortier: There is a collective personality here before us?

Mr. Campbell: Yes, but the brief was about Maclean-Hunter and not about our competitors.

The Chairman: Let's say in fairness to Mr. Fortier, that the Committee—perhaps I should only speak for myself as Chairman—found it strange that a document like this brief relating your vitality to the magazine industry in Canada, particularly since it contained a short history of the situation, made absolutely no reference, not only to *Reader's Digest* and *Time*, but didn't make any reference at all to Senator O'Leary and his recommendations.

Mr. Campbell: After pointing out that Donald Hunter couldn't be here, my second point was that we ask for nothing.

The Chairman: We found it strange that there was no reference to the O'Leary Report, and I appreciate the point that you are not asking for anything. The one asking the question was Mr. Fortier, and perhaps I...

Mr. McEachern: I think the next thing that is important to point out here is that we didn't create the legislation. The Government created the legislation and so created a situation we had to live with. So we have gone on living with it.

Remember this, there are various kinds of competition. There is competition between television, radio, newspapers and magazines. Some buyers of advertising still say, "Well, give me 50 per cent television; 50 per cent magazine". Well, there is considerable importance in Canada having what might be recognized as a magazine industry with status. And that, Senator, was the situation which the

Government of Canada created, not us; and it is one which we have gone on living with. So now there is *Time*, *Reader's Digest*, our publications and a few others. We live with it and make the best of it. Now, the status quo is something the Government created. We are going to make the best of it.

Mr. Fortier: Do you accept today that the existence of *Time* magazine and *Reader's Digest* is helping to create a total magazine vehicle for advertisers?

Mr. McEachern: At the present time, yes.

Mr. Fortier: Why was this not so prior to 1960?

Mr. McEachern: Prior to 1960, we were confronted with the prospect of 50 or 100 or 200 American magazines, using the gimmick of a Canadian edition, ready to swarm into this country and take over the industry. That would have been devastation as far as we and other Canadian publications were concerned. We found we could live with the situation the Government created, by giving special exemption to two U.S. publishers. An influx of 100 or 200 U.S. operators would have been quite a different matter.

The Chairman: Would you be unhappy if the Government now removed the exemption which *Time* and *Reader's Digest* presently enjoy?

Mr. McEachern: The immediate effect on magazine revenues would be formidable.

The Chairman: You would be unhappy?

Mr. McEachern: For this reason. In view of the enormous American economic penetration of Canada, a great many of the big advertising decisions are not made in Canada, but at Head Offices in the United States. If the Government of Canada were to go ahead and make a move against the two publications named, this would set off a typhoon of criticism. We would be charged with anti-Americanism and all sorts of things; so certainly for a time we would suffer.

Now, may I clear up another angle.

In television, Canada is now putting Famous Players and CBS out of the country because they are foreign companies. In that respect, Canada is simply applying the same rule as America applies to us. Maclean-Hunter cannot possibly get a broadcasting licence in the United States. We are foreigners. Canada's requirement that broadcast licences be held only by Canadian citizens simply applies

to Americans the rule they have applied to us and other foreigners for many years.

The Chairman: Then the Government did the right thing in granting the exemption, did they, to *Time* and *Reader's Digest* in your opinion?

Mr. McEachern: I am, at the moment, talking about radio and television.

The Chairman: Yes, but you are the Executive Vice-President of Magazines. That's fine. Finish, please, I am sorry.

Mr. McEachern: The second point I wish to emphasize is the difference between publishing and television: *Time* and *Reader's Digest* of Canada have really no assets whatsoever other than their connection with *Time* offices; so if you send them home, they literally lose their entire Canadian business. They have nothing to sell. But broadcasters do have something to sell. Famous Players and other foreigners with broadcast licences can sell. They will make a big capital gain. Apart from the fact that these foreign licensees will not participate in the benefits of further Canadian development, they lose nothing. No hardship is visited upon them.

Mr. Fortier: I could argue with you that that becomes a forced sale before September, 1970.

Mr. McEachern: They are going to do pretty well, but *Time* in Canada has really nothing to sell.

Mr. Fortier: I appreciate that. Are you still competing with *Time (Canada)* for advertising?

Mr. McEachern: Oh, fiercely.

The Chairman: You then think the Government did the right thing in granting the exemption?

Mr. McEachern: I am not saying that. What suggest is that the Government then did that for them at that time was the only politically possible thing. You know what happened in Washington when eviction was threatened. It was going to be very rough to send *Time* and *Reader's Digest* home. I live with reality.

Senator Langlois: You have turned a bad situation into an acceptable one?

The Chairman: Would you then be in favour of extending the exemption to *News-*

week and allow them to have a Canadian edition?

Mr. McEachern: I think the Government of Canada has had enough of this kind of problem for the present.

The Chairman: I am asking about you. It would certainly add competition to *Time*.

Mr. McEachern: That would be no encouragement. I notice that Mr. Honderich of the *Toronto Star* said, "Sure, send them home". I am in the magazine business and the status quo is something we have found a way we can sort of live with.

Mr. Fortier: This is a hypothetical question. I will go to another one. This trend in an increased and ever-increasing portion of the advertising revenue going to *Time* magazine is a fact. Do you agree with me on that? I mean, we have the figures in our research material, and also I have seen it in the MAB figures.

Mr. McEachern: Yes.

Mr. Fortier: Now, if this trend continues, where will it lead? Is this trend going to stop?

Mr. McEachern: I would like to say "yes", but here is one special problem we have with both *Time* and *Reader's Digest*. They not only have the very great advantage of their artificially low cost structure. They have extremely attractive advertising rates for international advertisers. Exposure in international editions is something we can't compete with. And because of the growth of multi-national companies, I watch this development in magazine advertising with apprehension. But I repeat what I said earlier: The status quo we believe we can live with.

Mr. Fortier: I personally believe that if *Maclean's* and *Le Magazine Maclean* went out of circulation, it would be a national disaster, but if you foresaw that eventuality, would you go back to the Government today as a company and say, "Please help us"?

Mr. McEachern: That kind of direct subsidy is pretty alarming. We would be pretty worried before we would make that move.

Mr. Fortier: Rather than ask for a direct subsidy, would you be prepared to ask that Section 12A of the Income Tax Act apply to *Time* magazine and *Reader's Digest* in order to improve your competitive position?

Mr. McEachern: You mean *Time (Canada)*?

Mr. Fortier: Yes, of course.

Mr. McEachern: Is that 12A about the tax?

Mr. Fortier: Because you would have a choice at that point either of asking for subsidy or asking for the removal of the preferential treatment which *Time* magazine and *Reader's Digest* enjoy.

Mr. McEachern: Let me turn this around the other way.

Far more important to us than asking for the kind of things you are just talking about, is the maintenance of the present legislation. The present legislation is very poorly understood even in Government. Not many people have ever bothered to look at it. Not many people realize the numerous and extreme hazards in which the Canadian publishing industry stood, say, ten years ago.

The great peril now so far as all Canadian publishers are concerned,—and I would say a peril so far as the Canadian government is concerned—is that one of these days somebody in Canadian publishing wants to sell out. They find a buyer in the United States who will pay them more than any Canadian; or they can't find any Canadian buyer so they will come to the Canadian government and say, "let's change this legislation. Let's let the Americans in". So there is the real hazard, which one of these days will come with great pressure on Ottawa. They'll say "Nobody ever liked that legislation. It didn't achieve anything." That, gentlemen, is the danger. Maintaining the present legislation is all I ask for.

The Chairman: Could I just ask a related question on this? It is clear—at least I think it is clear, and if I am wrong, correct me—that although you are not retreating from the position you took prior to the O'Leary Report, and I find that a difficult rationale to follow, but I accept it at face value—it is clear now that as Senator Langlois said, you have learned to live with the situation, and indeed, to make the best of it. You have made a reference several times in the course of the afternoon to Maclean-Hunter's—if I may use the word you didn't say—"Canadianism". I share Mr. Fortier's opinion that *Maclean's* magazine is a Canadian national institution; we have too few national institutions in my opinion. Setting aside your interest in advertising sales, do you think that *Time* and *Reader's Digest* contribute to a growing Canadian identity?

Mr. McEachern: In their introductory eight pages, I think *Time* is working pretty hard to look Canadian. I give them first-rate marks.

Mr. Fortier: For what they are doing?

Mr. McEachern: Yes.

Mr. Fortier: The *Digest*—well, there are no good marks on that one?

The Chairman: I would like to ask one other question on this thing. You specifically identified the reference Mr. Honderich made when he was here. As I recall, he was quite upset about this situation. Would you care to expand upon the comments you were making in connection with Mr. Honderich's opposition to the present situation?

Mr. McEachern: I referred to Mr. Honderich's declaration that *Time* and *Digest* should be put out of the country forthwith. He is a newspaper publisher. His business is not directly involved in this issue.

The Chairman: Was he thinking of advertising sales or Canadian identity or both?

Mr. McEachern: I would think both.

The Chairman: Yes.

Mr. McEachern: I think his position is idealistic but very unrealistic because I just don't think *Time* and *Digest* are going to be evicted from this country.

Mr. Fortier: Mr. Craig was here last night when Mr. Kierans appeared before the Committee. Would you care to comment, Mr. Craig, on the increase in postal rates?

The Chairman: He just happens to have his notes.

Mr. Fortier: He told me to ask him the question—which is not true!!

The Chairman: For the record, that is not true.

Mr. Fortier: Now, would you care to comment, Mr. Craig, on the effect of the increase in postal rates on your publications?

Mr. Campbell: Mr. Craig will deal with the business paper end. As far as consumer magazines, it is a different ball game altogether.

Mr. Fortier: Fine, I agree.

Mr. Craig: The chairman warned me might be asked a question on this, so I

have some notes on it. In the first place, I would like to go on record that we think that Mr. Kierans is to be commended for what he is trying to do with the Post Office.

Now, we don't agree with some of the methods. They have got lots of problems in the Post Office. We give him full marks for his but we feel that whether a publication is on a paid or controlled basis is not an appropriate concern of the Post Office. It is just the delivery of the item at an appropriate cost to the Post Office and a tolerable cost to the customer.

Mr. Kierans referred to the U.S.'s new proposals for making reforms in their postal service by the use of what we would call a Crown Corporation, but he didn't tell us that in the United States, in considering the adoption of this new plan, was also considering adopting a different accounting policy. It is pretty important. This is what I would call the "piggy-back" philosophy, where it is assumed that the Post Office was set up for the handling of all first-class mail, and the other services like second-class, fourth-class, third-class and so on, were going to absorb the incremental cost of handling that class of mail. This is a very important category so far as our business publications are concerned.

We, of course, got a very substantial rate hike, and we have had to adjust to live with those rates. We are concerned with what could happen if there are any future raises. I've kept talking about future rate increases and he keeps talking about the subsidy. It is a fallacy that Maclean-Hunter is being subsidized by these present postal rates. Taking the Post Office figures—and they have got many sets of figures—we are certain that our publications are paying their own way with the Post Office.

Mr. Fortier: This is what was said by the Latham Business Publications.

Mr. McEachern: Post Office figures indicate that it costs them 4.6 cents to handle a piece of second class mail including sorting costs of 2 cents. On the 1970 postage rate we are paying on *Maclean's* and *Chatelaine*, the price we pay the Post Office is three cents. But with our magazines, there are no sorting costs to the Post Office because as these things come off the press, packages of magazines are made up to fit precisely the needs of the postal delivery man as he walks his route.

Mr. Fortier: You do all that work?

Mr. McEachern: We do all that work; so that this 2.6 cent sorting cost is totally eliminated.

Mr. Fortier: Do you do that work at the request of the Post Office; the bundling and sorting?

Mr. McEachern: It started with our initiative in order to get better service out of the Post Office.

Mr. Fortier: How do your postal rates compare with the statutory rates which *Time* and *Reader's Digest* are charged? Are they competitive?

Mr. Campbell: Mr. Craig has pointed out that *Time* is lower because of the frequency.

Mr. Fortier: Your magazines are being afforded second-class treatment?

Mr. Craig: By and large.

Mr. Fortier: But your qualified circulation magazines are afforded third-class treatment. Do you suggest that this in effect puts it at a disadvantage for time of delivery?

Mr. Craig: I don't know whether you would think that paying more money, we should get a faster service, but we don't. I don't know of any difference between the statutory rate...

Mr. McEachern: Let me just make one point. Speed of delivery is not the primary factor in most business mail, including publishing. It is predictability of delivery that is of prime importance.

Mr. Fortier: Thank you for making that point because it has been suggested that speed of delivery was an important factor. I would agree with you that in very few instances is it that important.

Mr. McEachern: The *Financial Post* has a time factor which is important; getting it across the country by train is getting pretty slow; so we also print in Calgary. But under present Post Office regulations we must pay as though all 150,000 copies were mailed from Toronto. We do not get credit for the fact that 30,000 of those copies are printed in Calgary and some of them go by truck to Vancouver at our expense. So our effort to speed distribution involves us in very considerable expense and at the same time it relieves the Post Office of very considerable expense. We think we should pay only for Post Office services received.

Mr. Fortier: You did say, Mr. Campbell, that you were not asking for anything?

Mr. Campbell: We are not. Maclean-Hunter is making an observation.

Mr. Fortier: I think I would still ask this question of Mr. Craig. How should your qualified circulation magazines be treated by the Post Office?

Mr. Craig: Are you talking about service?

Mr. Fortier: Rates, rate-wise—we won't determine it as being a request.

Mr. Craig: I don't think we are going to get any reduction in the rates, but we still don't want any increases.

Mr. Fortier: You could live with the rates at the moment as they are?

Mr. Craig: Actually there is one anomaly that we don't think is proper, because we compete with American magazines, who are paying 15 cents a pound. This compromises us because we are paying a per-copy price, i.e., on the first two ounces, and so on. If we get to 2.1 ounces per copy, we have to pay an extra penny. So we have actually worked it out; we took every copy on these new rates and it averages about 25 cents a pound because of this per-copy price. In the United States, our kind of publication pays 15 cents a pound. The question of overflow circulation was referred to yesterday, and I regard overflow circulation as a fairly important competitor for our advertising dollars. I don't know how much we lose to American overflow circulation. It is very hard to pin-point.

Mr. Fortier: You have made no study of that?

Mr. Craig: No. The sort of thing that happens—the advertiser will use maybe twelve or twenty-four pages of advertising in the leading national U.S. publications. They may do the same in the leading Canadian publications, but many of them still only put six pages in. They have what we call a "Blist" or "b-schedule." It is hard to say how much of that there is. We see it in the individual examples, but to try and put a finger on it is difficult.

Mr. Fortier: Maybe we could pursue that this evening.

Mr. Campbell: Could I indicate again that we do not wish any subsidies on this. On the other hand, we are asking that the Post Office

look at the incremental cost, which is one of the recommendations made in the United States and which we think has a great deal of merit for Canada as well. It is done for industry every day. I ask that the Post Office adopt the same procedures.

Mr. Fortier: Have you ever accepted Mr. Kierans' offer to have a look at his figures?

Mr. Campbell: Yes, we would very much like to sit down with him, but I don't think it is a matter of looking at costs. It is an accounting philosophy or approach to the problem and what does the Post Office want to do?

Mr. Fortier: Mr. McEachern mentioned *The Financial Post* a few minutes ago. We have noted that *The Financial Post* now publishes a mens year magazine and one on world travel, which I presume must compete for advertising with *Maclean's* and *Chatelaine*.

Mr. McEachern: Correct.

Mr. Fortier: Why?

Mr. McEachern: There is a good deal of competition between publications within Maclean-Hunter.

Mr. Fortier: Is there competition also at the editorial level in any of the Maclean-Hunter publications?

Mr. McEachern: I don't understand.

Mr. Fortier: Well, is it accepted that there may be different editorial viewpoints expressed in the different Maclean-Hunter publications?

Mr. Campbell: Yes, certainly, there are.

Mr. Fortier: On that point, I have read the "Maclean-Hunter Editorial Manual and Style Guide" and I would like to refer you to page 46. We read in the third paragraph from the bottom: "Views expressed on such matters should not be in conflict with opinions voiced in other publications of the company." How would you reconcile this with what you have just said?

Mr. Campbell: What page were you quoting from, please?

Mr. Fortier: 46.

The Chairman: As a matter of fact, Mr. McEachern, you sent it to us.

Mr. McEachern: May I reply?

The Chairman: Would you like to see the quotation?

Mr. McEachern: That quotation vastly oversimplifies the editorial facts of life in Maclean-Hunter. It will not, I think, surprise you that there are some things about which we feel deeply and on which we expect editorial conformity. We believe in Canada's form of government, for instance. We would not want one of our publications preaching communism. But there is another level of subject material where we respect diversity of opinions among our publications. For instance. Should a crude oil pipeline be built eastward to Montreal so that Western Canada crude can supply all eastern Canada. That is a complex problem in economics and forecasting and a subject where difference of opinion among very well-informed people is widespread.

What we do ask of editors is that they be very well informed. We don't want them talking through their hats. On the pipeline subject—and this is typical of a hundred other issues constantly coming into the news—editors of intelligence and real knowledge of the subject may have quite different views.

Mr. Fortier: I don't want to belabour the point, but still it would appear that your publications must be guided by this manual. In it we are told that if you have any views to express on matters, they must not be in conflict with views voiced in other publications of the company.

Mr. Craig: I would just hope that all of our editors read that as Mr. Fortier read it.

Mr. Fortier: We are doing our homework.

Mr. Campbell: We have to do ours and write the manual.

Mr. Fortier: On page 47: "Any editorials could be discussed with the president's office—they are unusually provocative, critical or likely to arouse controversy."

Mr. Campbell: I apologize for the manual, let me point out to you that I was just talking to Mr. Hunter on Monday, and he said the brief that had come in and pointed it to me that he was designated there in our representation as the final authority. He wanted me to draw to your attention that in the last six years, while he has accepted and naturally accepts that final responsibility, he can recall that there were only three times when somebody had presented a particular editorial problem, and in each one of those cases, it

was a matter dealing with good taste. That is three times in six years.

Senator Everett: There is a method provided here which is pretty successful. It says: "Editors will often find it valuable to follow *The Financial Post* and *Maclean's Magazine* editorial pages as a guide, because the frequency of issue of these publications often enables them to present the general viewpoint of the company first."

Mr. Campbell: Since that time, of course, the frequency of *Maclean's* is different. In fact, there is not a published editorial comment at all.

Senator Langlois: How long has it been around?

Mr. Campbell: It was brought out in 1959.

Mr. Fortier: It was offered, you know, as a kind of bible "according to St. Maclean".

Mr. Campbell: Like many bibles, it is not followed.

Mr. Fortier: On page 5—I am afraid I have to read this into the record and ask for your comments. At the bottom of the page. "All articles that are potentially libelous or in contempt of court should be submitted to the president's office. This also applies to articles dealing with particularly controversial subjects, where taking a stand one way or the other might have a bearing on company policy, prestige or interests."

Senator Everett: I think you should go on.

Mr. Fortier: "The company's senior officers may know angles of which the writer or editor is not aware and which might lead to quite a different conclusion than the one that has been reached by the writer."

The Chairman: Well, I think that we have dealt with the manual at sufficient length.

Mr. McEachern: I don't think the Executive Vice-Presidents have read it.

The Chairman: I was going to ask who wrote it. May I change places for just a moment and ask a couple of questions? In the brief on page 10, No. 11, "The Printing Division of Maclean-Hunter operates the company's modern printing plant in North Toronto, where most of the company's Canadian publications are produced. The Plant, which occupies 200,000 sq. ft. was built in 1948 and has 700 employees. The

Commercial Printing Division sells and services printing for outside customers." Are these printers members of a trade union?

Mr. Campbell: No, they are not.

The Chairman: Have the various unions tried to organize Maclean-Hunter?

Mr. Campbell: Back in the 1930's there was an attempt, but there is no union organization within Maclean-Hunter.

The Chairman: And that includes the American Newspaper Guild?

Mr. Campbell: That is correct.

The Chairman: May I ask one other question about this Printing Division? It says the Commercial Printing Division sells and services printing for outside customers. Are there any competing magazines or books printed at that division?

Mr. Campbell: From a publishing point of view?

The Chairman: Well, competing—both, really.

Mr. Campbell: For example, we print the Boy Scout magazine, which has a Coca-Cola ad on the back page. We don't took upon it as a competitor.

The Chairman: Are there any competitive general consumer magazines, for example?

Mr. Campbell: Yes; *Saturday Night* is printed by the plant. There are one or two trade association papers, and papers for the business field that are printed at the plant.

The Chairman: Mr. Campbell, I wonder if I could ask you something else. First of all, page 18 of your brief at the top: "Maclean-Hunter editors are guided by a general manual covering general procedure and policy." That is the one we have been talking about, is it not?

Mr. Campbell: Yes, it is.

The Chairman: On page 14, section 19: "All stations owned or controlled by Maclean-Hunter have local editorial direction." There is no similar manual for broadcasters?

Mr. Campbell: There is not, and I think we have probably got our point across that this manual should be turned inside out. On page 1, where it says "Published in 1959", it also says, "Fear not when doing right".

The Chairman: Well, I have no comment on that at all. There is no editorial direction at all in broadcasting?

Mr. Campbell: No, there isn't.

The Chairman: The question I am going to ask could keep us here for a great deal of time, and I am not going to put the question as specifically as I might, because you yourselves will be returning. At least, I hope you are still coming.

In terms of the corporate structure and your responsibilities, for example, how often do you visit the broadcasting properties yourselves? In other words, how direct is your activity in broadcasting at the station?

Mr. Campbell: Very direct, and very informal. I spend 90 per cent of my time in broadcasting. I would be in Toronto for a minimum of two to three days to see that everything is all right at CKEY. Hopefully once a week—sometimes I don't get up there weekly—in Chatham, and in Kitchener, at least once a month for a management meeting with those people. Primarily at those meetings we are looking at what the programming is because again that is the name of the game. We concentrate the majority of our time on the programming side, of course, and naturally, looking at annual budgets as well. Also, we have a set-up, with the exception of Toronto, for Kitchener and Chatham; or where there is an outside company such as Calgary, we have outside directors on the board. Therefore there are six, seven or eight Calgary director locally.

Secondly, we have set up in all these communities now, an advisory programming group who do nothing but programme on an advisory basis. We certainly sit down with them anywhere from two to four times a year to listen to their ideas, to see what better things, or what contributions we could make to the community.

We have what we call "listen-ins" or "watch-ins", and they are very educational but very tedious, because you listen and you have to take the people out of the station so that they are not interrupted, and you listen to the radio, let's say, or you watch television from when you go on the air to find out what it is we are doing and how we can improve the product.

The Chairman: Are you interested in bringing in advertising sales, presumably for revenue?

Mr. Campbell: Yes.

The Chairman: I have just two other questions on broadcasting, at least until later on in the hearings. Do you have a representative company selling advertising?

Mr. Campbell: Well, indeed, on the broadcasting operations, we have a local sales operation right in that particular community which usually has five or six people in each of the vicinities; but over and above that, they are represented nationally. We have two Canadian national representatives. We have one firm, for our two stations in Kitchener and Chatham, and we have another representative organization representing us for CKEY and Calgary.

The Chairman: They have other stations on their list besides yours?

Mr. Campbell: Yes, and we have a minor interest in one of the sales organizations and no interest in the other.

The Chairman: Yes, and the programming at your stations varies greatly; in other words, you have so-called rock-and-roll stations; you have good-music stations. Am I wrong in that?

Mr. Campbell: We do not have a rock-and-roll station but for say such a community as Chatham, we try to be all things to all people. So there is rock music played in the evening and then we are back with the farm broadcasting in the morning.

The Chairman: Do you have a consistent concept?

Mr. Campbell: No, we don't. Every station is completely different and unique.

Mr. Fortier: Mr. McEachern, in recent years you have had a very well-publicized problems with the publication of *Maclean's* magazine. As recently as last fall, Mr. Charles Templeton when he resigned, complained that here were intolerable interferences from management in editorial matters. Now, in *Time* magazine, after Mr. Templeton's resignation, you were quoted as saying that you, Mr. McEachern, carried the ultimate editorial responsibility, and I quote: "I am, in effect, on the day-to-day operation, editor-in-chief." Would you care to comment on that? I think we should have your comments on the record.

Mr. McEachern: That is roughly the fact. In publishing a serious, far-reaching publication, the company management is ultimately responsible as to what kind of use is being

made of the vehicle. It has the legal responsibility. It has financial responsibility to shareholders, and it has moral responsibility to subscribers.

Mr. Fortier: How do you reconcile these three responsibilities of which you have spoken with what has been referred to as editorial freedom of the editor?

Mr. McEachern: Editors of *Maclean's* and *Chatelaine* and all other Maclean-Hunter publications have far more editorial freedom than is the case, in the *Time-Life* organization, or *Look*, or any of the big American magazine operations. Our editors have a lot more freedom than they would have running newspapers.

I think it should be pointed out that in connection with these changes of editors on *Maclean's* magazine which you refer to, those weren't just my decisions. They were the unanimous decisions of the Maclean-Hunter executive committee. I had those decisions carried out.

Mr. Fortier: Mr. Templeton, when he resigned last fall, did not do it as a result of being fired. In other words, he resigned because of what he termed editorial unfairness. Would you care to answer that point?

Mr. McEachern: No comment.

Mr. Fortier: Your present editor of *Maclean's*, Mr. Peter Gzowski, writing in the *Canadian Forum* in 1964, said, and I quote:

"No Canadians were luckier to have *Maclean's* exist than the people who worked there. For as long as most journalists can remember it's been the best place in Canadian journalism to work. Probably it still is. And probably our six resignations will help to make it a little better for a while than it might have been. But it can't be as good as when they let the editors do the editing."

Do you let Peter Gzowski, the editor of *Maclean's* magazine, do the editing?

Mr. McEachern: What I said stands. The editor in our operation has more liberty than he would have on any major Canadian daily newspaper, but there are limits. Let's face the fact that there is an awful lot of double-talk about this phrase "editorial freedom".

Mr. Fortier: Would you care to give us your interpretation of editorial freedom as applied to a magazine?

Mr. McEachern: I have said the publishers have the moral responsibility for the kind of publication that goes out, the financial responsibility and the legal responsibility. For instance, *Maclean's* has been going for, what, sixty, seventy years. Its two language editions have a million circulation. In a country of twenty million people, that fact alone tells you a great deal about the kind of magazine it has to be and about the kind of magazine a million subscribers have contracted to buy. Any one accepting the editorship of *Maclean's* must realize and accept the basic fact that it is the subscribers for whom he must edit. If an editor wants to edit a magazine solely to please and entertain himself and impress his close companions, then he is quite probably perpetrating fraud on his subscribers.

If he wants to turn *Maclean's* into *Playboy* we say no, let people buy *Playboy*. If an editor wants to produce a fancy little magazine for an audience of 5,000, we would say, No. That isn't what you undertook to do, nor the kind of magazine a million people subscribed to. In being an editor in commercial publishing, you try to please your audience first, yourself second.

Mr. Fortier: But when you retain the services of a man to fill the position of editor, don't you know the sort of man you are hiring?

Mr. McEachern: We hope so.

Mr. Fortier: Do they change?

Mr. McEachern: You have been quoting some of my more unfavourable publicity.

Mr. Fortier: I was looking for the other kind.

Mr. McEachern: Every time you appoint a new editor you hope to heaven it is going to be the most wonderful thing that ever happened to the publication. But sometimes there are terrible disappointments.

Mr. Fortier: I thought we should have your answers on the record.

The Chairman: I would like to ask one more question. I was going to ask quite a few questions on this. I am glad that Mr. Fortier made the point he did because this may very well be a problem, we will see. So I can't promise you that it won't be something that comes up in the next week.

At that time, Mr. Gzowski will be here—at least, hopefully he will be here. I will ask you a question about him. He also left the maga-

zine as editor at one time, didn't he. Am correct?

Mr. Fortier: I think he was managing editor.

The Chairman: Well, a writer or managing editor. Let's say he was a writer, but in an event when he left, there was a minor storm of controversy—I suppose not as much as for Charles Templeton—but Gzowski also said some things which were very critical of the company in terms of editorial unfairness.

Now, who changed their mind? Did Gzowski change his mind about you or did you change your mind about Gzowski? What was the central process which let you to bring Gzowski back?

Mr. McEachern: He asked for the job.

The Chairman: Well, had Mr. Fortier asked for the job, would you have hired him?

Mr. McEachern: I don't know. He looked very good.

Mr. Fortier: I made a note of that. Thank you.

The Chairman: Mr. McEachern, I am sure there are considerations other than that he simply asked for the job. To be even more specific, I recall Templeton's departure, and happened to hear a radio programme the very night, or the night after, on CBC, in which the questions were put by Peter Gzowski. It was a telephone programme. One of the people who discussed Templeton's resignation was yourself.

Now, I listened to that programme with great interest, and it was a fascinating piece of radio work. Having listened to that programme, I must say I was astounded a number of weeks later to learn that you had hired Peter Gzowski. There must have been something more than that he simply asked for the job.

Mr. McEachern: Well, plus the fact that at the time he asked for the job, we were looking for a new editor at that moment. We hoped it would work out.

The Chairman: May I ask you this, and then perhaps we could leave it? This has nothing to do at all with his salary; I am not referring to that at all. Are his terms of reference, in terms of editorial freedom, any different than those which Mr. Templeton had?

Mr. McEachern: No.

The Chairman: All right. Are there other questions that the Senators have? Senator Everett, do you have something?

Senator Everett: I would like to go to the financial statement of Maclean-Hunter. You have an Unearned Revenue of \$7,681,000, being the portion of paid subscriptions incurred. Can you tell me how that is taken into income?

Mr. Campbell: Yes. We sell a five-dollar subscription, Senator, and we set it up as a liability on the books at five dollars. Perhaps this was a three-year subscription, so we are going to deliver 36 issues; therefore, each month we take in one-thirty-sixth of the five dollars into income on an "as-delivered" basis.

Senator Everett: On an "as-delivered" basis?

Mr. Campbell: Yes.

Senator Everett: You went public in what year?

Mr. Campbell: In 1965, I believe it was.

Senator Everett: What percentage of the equity shares are held by the general public itself?

Mr. Campbell: When we went public in 1965, there was 15 per cent of the stock which was made public. There is one major holding by Mr. Hunter, which is just under 50 per cent. If you consider all of us in this room as the public, plus eleven hundred shareholders, maybe one hundred or two hundred of those are corporate, nine hundred are general public. It is all in the hands of the public.

Senator Everett: What proportion is in the hands of the employees?

Mr. Campbell: Well, I don't know whether Mr. Hunter is an employee or not. Mr. Hunter owns just about 50 per cent.

Senator Everett: The other employees?

Mr. Campbell: I would hazard a guess at 10 per cent.

Senator Everett: Are there any other large shareholders outside of that?

Mr. Campbell: There is no one in excess of 2½ per cent, no.

Senator Everett: Does Maclean-Hunter hold shares in any other media?

Mr. Campbell: One share of some companies.

Senator Everett: That's all?

Mr. Campbell: That's all.

Senator Everett: Mr. Campbell, I gather your company is preparing to make an assault into the cable TV field?

Mr. Campbell: I don't know that I like the word "assault", but, yes, we are very interested in cable TV.

Senator Everett: How far do you propose to go with cable TV?

Mr. Campbell: I suppose the best answer is, just as far as we possibly can.

Senator Everett: So you would buy them wherever they are?

Mr. Campbell: Yes, yes.

Senator Everett: On whatever basis you can?

Mr. Campbell: Now, you know money is pretty tight right now, and there are financial limitations of the company who the Executive Committee of the board must approve it. We have been in cable now for several years, and we like what we see.

Senator Everett: How many cable systems do you own or have a substantial interest in?

Mr. Campbell: Sixteen.

Senator Everett: Sixteen?

Mr. Campbell: Yes. Now, some of those are, like, in the Town of Huntsville, Ontario, that has all of 900 subscribers. In the City of St. Catharines, which has a population of 125,000, we have a potential of 25,000 subscribers, but it's a new system so there are only a few subscribers. Most of them are in small towns north of Toronto.

Senator Everett: Are cable TV systems, at this stage, generally profitable at this point in time?

Mr. Campbell: Well, those that have been in operation for some period of years, yes. The systems that we have started in the last two years are not. Cable is not a gold mine, as many people think. It is a good business, but it is a typical 12 to 15 per cent return on investment.

Senator Everett: That is up to a certain point, or is that at a fully developed stage?

Mr. Campbell: That is at a fully developed stage, assuming that you have a good saturation level; 60 per cent to 70 per cent saturation.

Senator Everett: Thank you, Mr. Chairman.

The Chairman: Are there any other questions, or may I perhaps, on behalf of the Senators, express...

Mr. Fortier: I am very curious. Maclean-Hunter Limited owns Maclean-Hunter Publishing Corporation, which is based in the State of Illinois.

Mr. Campbell: Yes, sir.

Mr. Fortier: Which in turn owns 100 per cent of National Market Reports Inc., also of Illinois.

Mr. Campbell: Right.

Mr. Fortier: It in turn owns 100 per cent of National Automotive Publishers Ltd. of Toronto.

Mr. Campbell: Right.

Mr. Fortier: My question is: is advertising placed in the Canadian Red Book, which is published by National Market Reports Inc. in the United States, subject to the provisions of Section 12A of The Income Tax Act?

Mr. Craig: We don't carry any advertising, no.

The Chairman: That answers the question.

Mr. Fortier: Yes.

The Chairman: Well, Honourable Senators, ladies and gentlemen...

Senator Everett: What is Hunco Limited?

Mr. Craig: That is a private, personal company of the Hunter family.

Senator Everett: They own it completely, do they?

Mr. Craig: I believe so. Well, they control it.

Mr. Fortier: In Maclean-Hunter Cable TV Limited, I believe you own 60-odd per cent?

Mr. Campbell: It is 60.3 per cent.

Mr. Fortier: Who owns the remaining 39.7 per cent?

Mr. Campbell: It just went public in January. The president owns 7 per cent. The balance is in the hands of the public.

The Chairman: May I, on behalf of the Committee, thank you, gentlemen. You know that by any standards, Maclean-Hunter occupies a major and national position in the Canadian mass media spectrum, and I assure there are many attendant problems coming before us on five separate occasions for which we apologize. There are problems, perhaps, each time you have to submit yourself to long, extensive questioning. May I say on behalf of the Committee that we are happy you are so patient, and I think I would be remiss if I didn't ask you to take our good wishes to Mr. Hunter for a continuing speed recovery.

May I also say to the Senators that this evening Maclean-Hunter will be back with us when we hear from the Business Publications Division at eight o'clock.

Thank you.

The Committee adjourned.

UPON RESUMING AT 8:00 P.M.

The Chairman: Honourable Senators, this evening we resume our study of both Maclean-Hunter Limited and the business press by receiving a brief from Maclean-Hunter Business Publications Division.

To introduce the witnesses, the chief spokesman on my immediate right is Mr. George Gilmour, who is Vice-President of Maclean-Hunter Business Publications Division. On Mr. Gilmour's right is Mr. Frank Turner, who is Manager of the Editorial Services Department. Perhaps Mr. Gilmour will describe that function in a moment or two. On my immediate left, in his familiar seat, might say, is Mr. J. L. Craig, Executive Vice-President of Maclean-Hunter Business Publications Division and British Operations. On his left is Mr. John Downey, who is Manager and Editor of the Maclean-Hunter Publication *Home Goods Retailing*.

I think Mr. Gilmour has been here for several of the sessions and perhaps it is not necessary for me to say all the things I usually say. We are going to ask you to make a oral statement, Mr. Gilmour, and following that we would like to ask you questions.

the brief and on the statement and on other matters.

I hope I am not displaying a conflict of interest when I say to the Honourable Senators that Mr. Gilmour is a personal friend of mine of some years standing. However, I hope you will all disregard that fact.

Senator Langlois: We will keep our eyes open!

Mr. George Gilmour, Vice-President of Maclean-Hunter: Honourable Senators and Senator Davey, first of all I would like to ask you to make two corrections to the brief that you have in front of you. The first one is on page twelve where I have made an inexcusable omission in not mentioning that the Business Publications division of Maclean-Hunter maintains an Ottawa bureau where Maurice Cutler and Stephan Duncan have been in operation for some years and which has been in business for some twelve years.

The second correction is on page sixteen and I would ask you to change the figure at the bottom of the page which says \$196.80 to \$380.00.

I heard somebody say, "you are ahead of me", that is why I wanted to make the change.

Now, I have with me tonight three of my associates who will attempt to help me in answering some of the questions that you may direct at us. I would like to introduce them perhaps a little more fully than some of the people have been introduced and I do this with a purpose. I want you to know something about their background because I think it might have an effect on the questions and their answers.

Mr. J. L. Craig is Executive Vice-President responsible for the Business Publications Division Maclean-Hunter Limited, London, England; Design Craft Limited; Industrial and Trade Shows of Canada; and Maclean-Hunter Publishing Corporation, Chicago. He is also a director of Maclean-Hunter Limited.

Mr. John Downey is manager and editor of *Home Goods Retailing*, a tabloid format business publication serving furniture, floor covering, housewares, appliances and home entertainment retailers in Canada. His background is journalistic. He was employed by the British United Press first in Toronto, where he spent some time before being appointed by BUP to the press gallery in Ottawa where he spent two years. In 1952 he joined United Press of America as editor of

their European service in London, England. In 1954 he returned to Canada and in 1955 he joined Maclean-Hunter as Montreal news bureau chief for *Style* and *Home Goods Retailing* and in 1964 became both manager and editor.

Mr. Frank Turner, manager of Editorial Services and Editorial Art departments for the Business Publications Division. His responsibilities include the recruitment and training of editorial people in addition to the managing of his two departments. His background is also journalistic. He was a former night city editor and Ontario editor for the *Toronto Globe & Mail*, chief copy editor of the *Toronto Telegram*; columnist, city editor and news editor for the *Guelph Daily Mercury*, news editor for the *St. Thomas-Times-Journal*; editor of the *Kamloops Daily Sentinel* and prior to that had a period on London's Fleet Street as sub-editor with the *News Chronicle*. He joined Maclean-Hunter in 1960 as New Editor for *Marketing* and in 1961 was appointed senior copy editor of a new "copy desk service" which was started in Maclean-Hunter. In 1963 he was appointed "Manager, Editorial Services" and in 1964 these responsibilities were enlarged to include our Editorial Art Services Department.

I am a Vice-President of the company and both Mr. Craig and I are directors of Maclean-Hunter.

We have endeavored to incorporate the answers to most of the questions that you have raised into our official brief. There are, however, three items which haven't been covered in great detail in the brief and I want to ask these three people who are with me to give about a five minute point-of-view on the three areas I have in mind.

First I would like to ask Mr. Frank Turner to speak to the questions which were numbered 18 and 19 in your Guidelines to us and which deal with the recruitment of journalists and the opportunity which our company offers to them.

Mr. Frank Turner, Manager of Editorial Services and Editorial Art Department for the business Publications Division: Honourable Senators and Senator Davey. As a working journalist I feel it a great privilege to be here tonight. I will let you know about the pleasurable aspects of this after the session. I am a great believer in very terse and short editorials so I will confine my comments here to about five minutes on a topic incidentally which is all-embracing and could take quite a time.

As Mr. Gilmour has explained, I got my start in journalism in newspapers. Like other newspapermen who are now with the business press, I switched, quite frankly, because of the desire to become more involved in direct and responsible journalism, and I am glad to report that in so doing I have found an unsurpassed degree of editorial autonomy.

The thoughts I am expressing tonight are my own. I have been concerned in recent years with a deterioration in standards of journalism whereby quantity, that is, almost uncontrolled verbiage or trivia is overcoming quality. The newspaper, and particularly the small-town newspaper, although not exclusively, is no longer turning out the kind of journalists that modern journalism needs.

I can say with all honesty that the reverse holds true with the specialized business press, i.e. the progressive segment of the business press. This is not just some accidental phenomenon; it is the result of very selective recruiting, it is the result of a realistic management philosophy of investing in talent, and it is the result of a continuing, if sometimes unheralded and comparatively subdued pride on the part of creative people in business journalism.

The business press, the part of it that I work for anyway, is certainly not resting on any laurels. I don't know of any other print medium in this land that is so introspective in its endeavors to upgrade standards. Financially backed by management, a core of dedicated editors is continually undertaking a program of training and seminars to make sure all editors have the opportunity to be exposed to the latest trends and thoughts in journalism, business, and yes, in government too.

Right now, at Maclean-Hunter, we have a series of give-and-take training sessions with new editors to the business. And this is part of my responsibility—recruitment and training.

Our main quest is to get the best talent that we can. Invariably we promote from within and therefore we are particularly keen to get talent at the junior level so that we can prepare them to take on responsible roles on our business publications.

The readers of our publications are leaders in industry, businessmen, skilled tradesmen, in other words a large segment of the people who are providing the impetus for the future of this country. Our editors, in other words, have a big-ticket responsibility. A good business publication is not just a bystander of the

scene; it is in a real sense a participant, and therefore to fulfill our function to communicate with our readers, it is essential we have the people who have the journalistic skills, the sometimes specialized background certainly, the intellectual capacity, and the potential to be able to provide leadership for Canadian industry and command its respect. In other words, we are not in the business of detached and aloof journalism, or irresponsible journalism.

Therefore we are always searching for the best young men and women, and we are willing to pay to get them. Our starting pay rates for example, are better than those of the Toronto dailies. I certainly feel our working conditions are quite a lot better.

At the relatively junior level, we are particularly interested in university graduates and not necessarily graduates of schools of journalism. I can think of graduates of engineering, scientific and of political science courses whom we have trained to combine their special aptitude with their natural affinity with the written word.

On a personal level, I am very pleased to be able to mention one of our two permanent business press editors in our Ottawa bureau which incidentally we overlooked mentioning in our brief. We have a young man who came to us straight from Carleton with a political science degree. We trained him in journalism; he worked on one of our publications, and is now doing a first-rate job here for many of our business publications in the capital.

The Chairman: Who is that?

Mr. Frank Turner: Mr. Steve Duncan, who is with us tonight.

I have to admit, however, that our search for talent is far from easy. As I have mentioned, we are looking for a special kind of person, and I hasten to add, this does not imply a stereotype. The young men we hire now, and women too, hopefully have the potential to adapt to our selective journalistic and to have the creative journalistic and business acumen to lead our publishing business in the years ahead.

We have a series of writing tests, psychological tests, and interviews, whereby at least we feel we are making the right choice—for both parties. I am a great believer in ethical hiring practices, and when young people come to work for us they are given a real opportunity to develop their talents.

As you probably know, there are now more schools of journalism than ever before and yet, as of this time, we can ascertain no ready-made benefits at Maclean-Hunter, with the possible exception of Carleton, to be fair. One reason for this, I think, is an overwhelming news-newspaper-oriented approach to teaching journalism which is still very strong. Although we have attempted to communicate with some universities, it still takes two to tango or it used to in my day.

The Chairman: Does it still, Mr. Fortier?

Mr. Fortier: In my book it does!

Mr. Frank Turner: Then, of course, there are the changing attitudes of young people we have to understand and this is very important in this day and age. I repeat, we have to have people who can communicate with our specialized audience. Many of the young people we are interested in, are probably radical by perception and this can be a good thing providing we feel they can meet us half way.

Journalism, particularly business journalism, is changing by involvement and even the "veterans" realize this is a healthy and viable development. We must explore how we can help these young people we select to become more aware of what is realistic and what is unrealistic, and from our standpoint to encourage them so that they can help take us into the rapidly changing future.

We go to great pains (and I think I have chosen the right word there) to provide our aspirants with basic journalism techniques. We stress the value of good writing and graphics, and above all responsibility and accuracy.

We are now, more than ever, attempting to introduce the new breed to the actual business end of business journalism, and I mean administration and profit and loss aspects. For the sake of our business we have to have more journalists who will perceive greater frontiers and bring to the business side the sensitivity, the understanding, the ambition, the objectivity, the determination and the perception that the good journalist harbors in his soul, and we have to do this for the continuation of responsible and balanced communications for the Canadian business community.

Thank you very much and I would be pleased to answer any questions.

The Chairman: Thank you very much.

Mr. George Gilmour: Mr. Chairman, may I ask Mr. Downey to speak to the question in your Guidelines, which was number eight and which deals with the question of what is the prime function of our medium and then goes on to ask some questions about the effect of commercial considerations. I am sure you will want to ask further questions about this. Mr. Downey is particularly qualified to speak to this and I would ask him to make a brief statement on it.

Mr. John Downey, Manager and Editor of Home Goods Retailing: Mr. Chairman, Honourable Senators. As Frank Turner said, I am speaking for myself. Mr. Craig and Mr. Gilmour, I am sure, will be interested in what I have to say. They don't know.

In talking about the function of the business press, our function is the same as any other medium of communication and that is to inform the reader. The big difference in our type of publishing is our specialized knowledge of the industries we serve, knowledge of the reader.

We are in the fortunate position of knowing the reader, knowing perhaps several hundred of our readers across the country personally and knowing what it is that they want from a trade publication; what it is they need to know. From this knowledge that we gain from talking to our own readers on a regular basis, we evolve our prime function which is to provide in the case of most business publication, as distinct from perhaps technical publications, to provide them with factual information they can use in their own business.

We start with the assumption that our readers are knowledgeable people in their own field and, therefore, we as editors have to be particularly careful to be experts ourselves in those fields because we are writing for the experts. As a result of this I think there is a trend in business publications, that we might see more of in all media, to shorter, more factual reporting. As a result of that there is a trend to my type of publication, the tabloid newspaper. You see it also with the growth of news page technique in magazines and I think we are going to see a great growth of news letters in this country, all forms of communicating with specialists in various fields.

Our concern as editors now is to give the readers the information he needs as quickly as possible and leave room for what is becoming a new field for the business press and that

is really interpretative journalism, primarily interpretative stories about government and its activities.

Ottawa is everybody's partner now in business and I don't know what the cause is—whether it is the business press' fault or business' fault, or government's fault, but the business press sees for itself, now that it must take on the job of interpreting what is happening in Ottawa, the legislation and what it means to an individual in a particular business. This is becoming more important to us.

Maclean-Hunter realized this some years ago and opened the bureau in Ottawa and we were the first business publisher, I think, to do so. We now have two highly qualified people here that we as editors in Toronto depend on to a very great extent and our readers depend on them. I think I am going to tell management this too—I think we are going to have to add people in Ottawa, we are going to have to have a very substantial bureau in Ottawa in the very near future of specialists of all sorts. I think specialized communication in Canada is going to be absolutely vital for all forms of business and it is our function to supply that information.

Now I am editor first, last and always, but I am also, as Manager of my publication, involved with all other aspects of the business—circulation, promotion and advertising. I am responsible for the revenue of the publication. I think that is why Mr. Gilmour asked me here.

Is there a problem between advertising and editorial in the business publications? In my view there is not; not today. There may have been before my time, I don't know, but today the business editor, the good editor, is a man of some stature in his industry. He is dealing at the very senior level with major companies of this country. He is on committees of all sorts in industry. He is not the sort of man that would have problems on the day-to-day commercial considerations of perhaps undue pressure from advertising. I don't think that exists any more for good editors in business publishing.

The other thing I think is very important is that we have companies the size of Maclean-Hunter in publishing. The editors in this company know that they have the support of the company when they want to do something

that might be controversial or might cause some upset with an advertiser. They know, with the size of the company and the financial strength, there is no need to consider implications of one unhappy advertiser or half a dozen unhappy advertisers. I personally have been through this on several occasions and the question of advertiser reaction is never raised when we go into something in the nature of a controversy.

I think also that companies the size of Maclean-Hunter are good for smaller publishers in Canada because we set a standard of this kind now that allows the newer companies, the smaller companies, to follow along. They know they don't have to knuckle under to an advertiser any more because the leading firms in the industry do not have to do so and neither do they.

I want to echo something Mr. Turner said. I am very proud to be a business journalist. I started in the daily newspaper field quite some years ago and because I was interested in business and economic subjects I wound up in this field. I worked in Europe; I was a Canadian working for an American company in England—kind of a no-man's land. I quit and came back to Canada because I wanted to work in this country for a good strong Canadian company and I think I do so. Thank you.

The Chairman: Thank you. Mr. Gilmour?

Mr. Gilmour: Mr. Chairman, I would like to ask Mr. Craig to speak on Guideline question number two which deals with the extent of concentration of ownership of media and perhaps to also touch on some of the advantages that we think do accrue to multiple ownership.

Mr. J. L. Craig: Mr. Chairman, Honourable Senators. I hope, George, to be able to speak on this question but I expect there will be more talk about it before we are through. During the hearings, which have been so very well reported in the newspapers, the question of the dangers of monopolies acquiring control of communications has arisen and I have prepared a short statement really on our position in the business press.

So far as the business press is concerned, it would be very difficult indeed for any one company to acquire a monopoly of the field of business communication. In addition to the competition which we have from other publishing houses and associations, we have competition of direct mail, catalogues, general

magazines and the financial pages of daily newspapers. Even the government is competing with us in the distribution of information and in many cases using reprints of the material which we publish and which they then reprint for further distribution.

Speaking for Maclean-Hunter, we would not want to be the only publisher of business publications in Canada and we find that generally speaking our best publications are in fields where there is one or more direct competitor. Three out of four of all the business publications and annuals that Maclean-Hunter published were started by us.

The others were acquired from publishers who wished to get out of the business or may have been forced to get out of the business for economic reasons.

We have discovered that our creative editors and managers enjoy the challenge of competition and motivate themselves to put their publications in the lead. We want to be the first publication in each field. This is our ambition and we will never be satisfied until we reach that position. However, we see no danger of competition ever being eliminated in this field. It is certainly not our policy to buy up competing publications and merge them with our own. Where we have a sole competitor in the field, we would prefer that competitor to stay healthy and competitive.

The extent of the present degree of concentration in Canadian media is, to a large extent, the result of prevailing economic forces. I mentioned earlier that most of the publications we have bought have been bought to us by publishers who had need of cash for pending liquidation of estates and/or because of the high cost of providing necessary services was making it difficult for them to be profitable. A large publishing house has certain in-built advantages in that it is presently easier to attract good people. In addition, we can, by combining revenues of many publications, provide superior facilities such as art departments, training departments, research, etc.

I have a briefcase full of some of the recent research studies that Maclean-Hunter have done which are both useful to business publications and to Canadian business generally. The fact is most of our business publications do use them but they would probably be too expensive for any single business publication to provide.

However, it is not inevitable that these forces will lead to further concentration of

ownership. There is still room in the business paper field for the small entrepreneur with a good idea and outstanding ability to carve a niche for himself in the field. Two years ago two or three of our young men left to establish their own business in the business publications field and are apparently being quite successful at it. While we hated to lose these valuable people, we were certainly pleased to see them attain success.

Mr. Gilmour: Honourable senators, in my naivety, sitting down in my Toronto office, I then put down the words, "now that has got us warmed up" . . . after being here two and a half days, Senator Davey, I realize none of us need to get warmed up, least of all you.

Before opening ourselves for questions I would like to say that the business press, of which my division is a part, is not nearly as well known a medium as the other media that you people are being confronted with in this study. There are good reasons for this. Our particular medium appeals to a very specialized group of business men and women and does not have the general exposure that the mass media has. It is my earnest belief that the business press has a value to Canada that takes second place to no other medium in this country.

It has been said, you know, "what would you like this Committee to do for you?" as Mr. Campbell said today, "we really are not coming here asking for anything."

If I could accomplish anything out of having this meeting with you Senators tonight, it would be the hope that perhaps some people in Ottawa would have a greater realization of the vital part that business publications play in this country and that all over Canada, good things are indeed happening because business magazines are at work in Canada.

The only other thing I would like to say, Mr. Chairman, is that while we are open to any of your questions, I feel that if you can zero in on anything that would help us relate to the value of this medium, I would be most grateful.

We have discussed in the last few days the question of circulation, postal rates to some great length and I and my associates will be glad to discuss this with you. We have made quite a bit of it in our brief and we would be glad to try and answer any questions you have with regard to that. Most of the things that have been said about the Post Office that

I have heard, I am in agreement with. I would like to make sure we don't get a further rate increase, if we can avoid it.

We are open, sir, for your questions.

The Chairman: Thank you very much. Mr. Fortier?

Mr. Fortier: Mr. Gilmour, I will accept your invitation. For this medium of yours which you represent to be as effective as you have just described, must it have recourse so heavily on the qualified circulation method?

Mr. Gilmour: I would question whether I would say it must have such recourse. I know whatever I am going to say is going to open up the whole question of qualified versus paid, etc.

The Chairman: You think the worst of us, Mr. Gilmour.

Mr. Fortier: He has been here two days.

Mr. Gilmour: I am not that smart. I don't learn that quickly. When you are going to start a magazine in the business publishing field, you endeavour to define a market and to cover it adequately. Now, that can be done by simply having paid circulation or by having qualified circulation. I recall a situation where we had a magazine which had, in fact, all paid circulation and we did quite well with it. We got constant complaints from readers and people in the field that we really were not covering the market properly. The market was a market made up of about four thousand units and we had about two thousand copies. We were an ABC publication. We resigned from ABC, eventually and went on a qualified basis. I don't think our publication has ever been more valuable to Canada since we did this.

Mr. Fortier: Is it, in fact, reaching more than two thousand of your market now?

Mr. Gilmour: Yes.

Mr. Fortier: I am sorry, that was a very badly phrased question. It is obviously reaching, from a penetration point, your total market but is it being read any more than it was when it was on an all-paid circulation basis?

Mr. Gilmour: Well, to be honest with you, in those days we were not as effective in research into readership as we are today. We know from our readership studies being done today this publication in effect is one of the

best read business magazines in Canada. It is going to the graphic arts field and its readership is very high. I don't know quite what it was ten or fifteen years ago when it was an ABC paper.

Mr. Fortier: Can you attempt to explain to the Committee why you must give most of your publications away for them to be truly appreciated?

Mr. Gilmour: I don't think you must give them away to be truly appreciated. I feel this way about business magazines. I think Will Rogers once said, "numbers don't mean nothing. It's people that count." It is capturing it is defining the audience and then producing an editorial product good enough that people will read it and not know nor care whether they are getting it free or not. This puts a tremendous amount of responsibility on the integrity of the publisher, I admit.

Mr. Fortier: Why surely you would have to apply that statement also to good consumer magazines?

Mr. Gilmour: I am not an experienced person in the consumer magazine field.

Mr. Fortier: Do you read them?

Mr. Gilmour: Yes.

Mr. Fortier: Would you read them if you didn't have to pay for them?

Mr. Gilmour: I read them when I didn't have to pay for them and I read them when I do pay for them, if they are good magazines.

Mr. Fortier: Who makes that value judgment? You as the reader. Not the publisher?

Mr. Gilmour: That is right.

Mr. Fortier: So if a good business magazine was being offered to the reader for a fifty cent consideration rather than being mailed to him for free, he would apply your reasoning and he would go out and buy it?

Mr. Gilmour: Now, of course, you are getting me into the economics of the problem. Really, of course, it costs more than fifty cents to get a fellow to pay fifty cents for a magazine. It becomes a question of whether that is a good way to do business; when you are not really convinced in your heart after thirty years in the publishing business that it makes a difference.

Mr. Fortier: You are convinced in your heart—as Mr. Barry Goldwater used to say...

Mr. Gilmour: Oh Lord!

Mr. Fortier: "In your heart you know he is right"...you are convinced in your heart this is the best and most effective way of reaching your individual markets?

Mr. Gilmour: Absolutely.

Mr. Craig: In connection with the American publications, which happen to be my responsibility, we found ourselves in a competitive situation several years ago where we had an ABC publication with, I think, fifteen thousand circulation and the lion's share of the advertising market. A competitive publication came along and got twenty thousand with controlled circulation and we had one devil of a job trying to sell this publication to the advertisers because of the difference in circulation. Everybody knew ours was ABC and theirs was unpaid. The advertisers didn't care. Now these advertisers are pretty hard-boiled businessmen; they are spending a lot of their money on these publications and I suspect if they thought they were not being read, they would not spend their money there.

Mr. Fortier: That is a very telling point, yes.

Mr. Craig: In a sense I couldn't really blame them. You get in a competitive situation; it was extremely expensive for us to develop a paid circulation in a business publication field. This is a field where you have small units or large units but spread across three thousand miles of geography and you are only going to get a few subscriptions in each place. It is not unusual in the American business publications, in a competitive situation, to pay as much as twenty to twenty-five dollars more than the revenue they get for each subscription in this field. In this particular publication that I telling you about we were spending something like thirty thousand dollars more than our revenue for circulation. We changed that. We spent that thirty thousand dollars on improving editorial quality and we have a better circulation and did not have to go out and reach for the lower echelons of readership. We could pick the best and even the control to the advertisers, which they wanted. There was no waste.

Mr. Fortier: The comment I would make: I suppose you could do the same with a consumer magazine. Instead of having *Maclean's* with a million circulation, you could have a smaller circulation but the advertiser could

know that the magazine is being circulated in those homes where he likes to penetrate.

Mr. Craig: I am inclined to agree with you. We have looked at this as was mentioned this afternoon. In the consumer field there seems to be a difference.

Mr. Fortier: Have you any publications in Canada which have control circulation and which are competing with a magazine that is offered for money?

Mr. Craig: I don't think so.

Mr. Gilmour: I am trying to think of some. My mind immediately goes to Association Publications which do get money in a sense for their publications, but I don't think we have any that we are competing with them. From their point of view, by the way, there are few business magazines in the world any more that are operating on anything but qualified circulation.

Mr. Fortier: Where did that originate in the world—qualified distribution?

Mr. Gilmour: Mr. Craig could perhaps answer that. I think it was in the United States.

Mr. Craig: That is right.

Senator Langlois: You talked about Associations. Would you elaborate on that?

Mr. Gilmour: What I meant by that is there are publications produced by Associations and the publication is paid a subscription amount out of the membership that the company or the person takes in the Association.

Senator Langlois: Included in the membership?

Mr. Gilmour: Yes. You pay thirty dollars and you get a five dollar subscription to a magazine included. That is the answer, sir.

The Chairman: The question I asked Mr. Craig was, "about what year in the United States did this commence?" His answer was, "1930 approximately".

Mr. Fortier: Mr. Turner, you spoke in your verbal presentation earlier about the deterioration of standards in journalism. I presume you are referring to daily newspapers?

Mr. Turner: A special segment of daily newspapers. This is not an all-embracing statement. It is an opinion of mine. I think it

would particularly apply to what could be called in this country the small-town newspaper.

Mr. Fortier: Would you explain what you mean by "deterioration of the standards in journalism"?

Mr. Turner: Mind you this is a topic that one could talk about for a long time. As I look back in my own experience, the character, to a certain degree, has been taken out of small-town newspapers. We have a considerable difficulty in our recruiting when we look for people from small-town newspapers, to get any quality whatsoever. I would say in a sense that one reason for this would be certainly more mechanization than there used to be. Another reason would be the disappearance—I think this is the right word—of the old-time editor, the task master.

The small daily newspaper is, from a journalist's standpoint, a very cheaply-run operation, that by and large will attract only third or fourth-rate quality, certainly with no training undertaken. In that sense, what is written in these publications is quite frankly, sometimes complete and utter trash. I can very briefly give you an example. Two weeks ago I was invited to talk—I won't mention any names—to a community college and the local daily newspaper was cited as an example, not only by the instructor but by the pupils, as an example of what a newspaper should not be.

The Chairman: What was the daily newspaper, Mr. Turner? There is no reason why you should not say so. It would be helpful to us.

Mr. Turner: The college was in Oshawa.

The Chairman: That narrows it down.

Mr. Turner: I have seen this in my own experience. It is very difficult to define, except one can see it, if one reads newspapers from the point of view of being a journalist. You can see the complete lack of editing; you can see very bad headlines; you can see what I call a "composing room newspaper". I have actually worked on a newspaper where the editors were not even allowed in the composing room and where, in fact, the paper was made up by the compositor. The door was shut. I worked on another daily newspaper where the news editor—believe it or not—I am not that old so it is not that long ago—where the news editor's job was to take the

copy around off the machine and give it to the compositors to set.

Senator Langlois: How many such small town dailies do we have in Canada?

Mr. Turner: I can only relate to my own experience in these specific instances. I feel in my search for talent, in the people that we interview, the difficulty that we have because quite often we would love to get people who have some experience, that would be in effect ready-made to put on one of our publications but we are having great difficulty. I have to admit that we try to be very selective. I mentioned that we try to go after the best people. There is no shortage of people, there is a shortage of quality, and, therefore, in recent years we have turned, almost by compulsion to the universities. This is not the only reason.

Mr. Fortier: It seems to me the faults which you have listed are not due entirely to increased mechanism within the newspaper.

Mr. Turner: No, not entirely. Let us put it this way. Many daily newspapers are served now by the teletype, that is copy coming in straight from the Canadian Press from Toronto and it comes in in typed form. Now you have instructions essentially not to touch this. You really can't edit it because if you start fooling around it is going to cost so much. In this sense there is no editing as such. The editing has been taken away from the local level.

Mr. Fortier: What about the big-town newspapers? How are the standards in journalism? How have they held up there?

Mr. Turner: Once again there is a great variance in my personal opinion. I think that certainly in Toronto I have personal opinion as to one, two, three.

The Chairman: Could we have those please? We have even had that from Mr. Basset!

Mr. Turner: I have worked with Mr. Basset yes. My choice would be the *Toronto Star*, *Telegram*, and *Globe and Mail*.

The Chairman: In that order?

Mr. Turner: Yes.

The Chairman: Why would you put the *Globe and Mail* behind the *Star* and *Telegram*?

Mr. Turner: I have worked for a time at the *Globe and Mail* and these are all personal opinions, of course, but it seems to me to be a paper that relies to a very great degree on foreign news service. It is a paper that I feel is without sensitivity and without feeling of excitement. I believe in exciting journalism and when I pick up a paper, I like to feel that by doing this I am not going through a ritual but that there is something there to read, that I like, that is written with a certain character and verve. I don't detect this, you see, in the *Globe and Mail*.

The Chairman: Do you attempt to apply that principle to business books?

Mr. Turner: Yes, we do. I am not going to say it is always successful. Every journalistic business is suffering to a certain degree from a shortage of talent. At Maclean-Hunter nobody is going to claim—there is no heaven on earth—nobody is going to claim that all our editors are first rate, but at least we are trying to do so. It is our belief that the business press, just because it is the business press, certainly does not have to be dull or without a sense of life or without any sensitivity. It has to appeal to people just the same, except that it is a specialized audience.

The Chairman: Mr. Turner, we asked you to rate the Toronto newspapers in descending order. I could ask you to—but I hasten to add that I am not going to—I am going to ask a question but I am not going to follow it up with the question you might expect. Would it be possible for you to list the business publications at Maclean-Hunter in descending order? I am not going to ask you to do it, but could that be done?

Mr. Turner: As a matter of fact we have in-company competition that gives us a pretty fair idea on an annual basis in various categories.

The Chairman: Let me throw a bit of a curve at you—then the standard is not uniformly high?

Mr. Turner: Well, I think it is uniformly high.

The Chairman: I am a little unfair to you here. There is a variance in standards?

Mr. Turner: Absolutely. Of course, this would apply to any segment of society. It would apply to radio, to television. It applies to sports, there are some better than others. This is very true. We have a very high ratio.

The Chairman: It even applies to the Senate, Mr. Craig says!

Mr. Turner: Yes, let him say it! Yes, this is true. We have absolutely first-class journalists, unsurpassed journalists, I am proud to say, in our business. On the other hand, we have journalists who still have a lot to learn.

The Chairman: I am trespassing on your period, Mr. Fortier, but could I ask Mr. Gilmour perhaps a somewhat related question. I would like to quote from the statement you make, which was referred to me, in the May 19th, 1969, issue of *Marketing*. George Gilmour, Vice-President, Maclean-Hunter Business Publications is quoted as follows:

"This question, 'Are there [editors] underpaid second-class people?' is a very worrisome one to me. I am inclined to feel that rather than stemming from our public, our advertisers, or our market-places, it stems internally from the editors themselves."

Would you comment on this Mr. Gilmour?

Mr. Gilmour: I would not like to look at it. I am rather ashamed the way it was worded after all that talk about journalism.

The Chairman: I was going to say it might be the publication, but I realize that it is one of your publications, so I can't say it is one of the publications.

Mr. Gilmour: I think what I am trying to say there, Senator Davey, is I was not sure that the outside world necessarily had the impression that our editorial people were—I think it was said here—"second-class citizens"; and I hate to say that.

The Chairman: I was the one who raised the question yesterday and I raised it because of this particular reference.

Mr. Gilmour: I think I am trying to say it is not necessarily so, that the outside world has this impression at all. It was something that tended to come from within the editorial group of people themselves. What I suppose I was saying, in a terrible way, is that people had to lift themselves up by their own boot straps—we become about as good as we try to become. I suppose I was making the fatal mistake of trying to preach between the lines. I am not sure.

The Chairman: Well, perhaps I could read something else that you said in the same quotation. It related to underpayment: "As far as

Senator Langlois: Mr. Gilmour, what is your experience regarding French language journalists or editors?

Mr. Gilmour: Do you mean are we able to...

Senator Langlois: Are you having difficulty as compared to English speaking?

Mr. Gilmour: No. I would think actually, no. It is a little more simple, a little easier than hiring in the English language field. I am not sure I know why. We don't have much turn-over at all in our French language publications. I would like to think it is because we have a good atmosphere and a good publication for those people to work on. The turnover is not high and we do not have a great deal of trouble getting good people.

Senator Langlois: Do you feel you have as much of a choice of talent as you do with your English speaking editors?

Mr. Gilmour: Yes, sir.

Mr. Fortier: Do they respond to the aptitude tests as well as the English speaking Canadians?

Mr. Gilmour: If you use the words, "as well", Mr. Fortier, lots of editorial people, being independent people, have not responded—yes.

Mr. Fortier: I am curious about the aptitude tests. What is the nature of it?

Mr. Gilmour: Really, it is just a series of psychological tests which tend to point up the fact that the person has the peculiar qualities of succeeding in our business. It is not an intelligence test. These are very helpful things in helping us to develop people. It shows where you can give people aid, where they will take encouragement. Some people need a couple of pats on the head instead of one.

Mr. Fortier: Do your top executives take them also to find out if they have been in the right division all along?

Mr. Gilmour: I think we have at one time or another.

Mr. Fortier: Your ten French publications, if my memory serves me right, all have English sister magazines with one exception which is...

Mr. Gilmour: *Québec Industriel*.

Mr. Fortier: Can you tell us the degree of co-operation which there is between the English and French sister publications?

Mr. Gilmour: Yes. Each of our French language magazines has its own French language editor. The publications have a very loose working arrangement, that they will point up areas of editorial coverage they come across that might be helpful to the other. I brought along with me four copies I would be glad to leave on record. One is the magazine *Bâtiment* and *Canadian Building* which would be its parallel. The others are the *Canadian Automotive Trade* and *Revue-Moteur*, which again fall into that category.

An examination of those, and they are typical, will show you in effect there is very little in each one that is similar. The editors have gone their own particular path that particular month. That is the month of January. We try and encourage, as a matter of fact, co-operation where it pays off; but we realize there is a great need to produce a magazine in the province of Quebec which is truly for Quebecois.

Mr. Fortier: I am reminded of the statement by one of your colleagues on the Maclean-Hunter board recently which was given much publicity which had to do with *Le Magazine Maclean*, which according to the gentleman who was before us this afternoon was to become a mere translation of the English magazine.

Have you ever sought to enforce a similar policy within your division?

Mr. Gilmour: No, sir.

The Chairman: I am confused at the cryptic question. I am not sure of the reference you were making.

Mr. Fortier: Well, when Mr. Cardinal—not the Minister, but the other Cardinal—Marie Cardinal, who was the editor of *Le Magazine Maclean*, when he left, one of his publicized complaints was that he was told by Mr. McEachern that from thereon in, in order to save on the cost of the publication, the French magazine would use translations of the English articles published in *Maclean*. Right?

Mr. Gilmour: That is what was reported.

The Chairman: I don't think Mr. Gilmour can...

Mr. Gilmour: The question was whether I have taken that same position and the answer is, "no, sir".

Mr. Fortier: Mr. Downey, you stated that a good business editor is a man of some stature in his industry. Does that make him a prime candidate for a job within the industry?

Mr. Downey: Often.

Mr. Fortier: How often has that happened? How many offers have you had?

Mr. Downey: A number.

Mr. Fortier: Maybe I should direct the question to Mr. Gilmour. Have you lost many good editors to industry? Can you really be competitive, when it comes to salary, with industry?

Mr. Gilmour: I can't think of any we have lost to industry. I can think of some we have lost to the province of Ontario.

Mr. Craig: To Associations, for example.

Mr. Gilmour: It is not the type of thing that happens frequently enough. I am not conscious of it. Really I think, perhaps as you do, that anybody who is good in their business is going to be offered jobs.

The Chairman: I would like to ask Mr. Downey a question. This applies a little indirectly to Mr. Fortier's question. I don't mean to be unkind, Mr. Downey, in asking this question so I hope you will accept it in the spirit in which it is meant. You said at the beginning that neither Mr. Craig nor Mr. Gilmour know what you are going to say. I am sure they didn't, but surely they must have had a somewhat relaxed feeling. I am sure they didn't expect you to say anything out-andish or anything that was going to embarrass Maclean-Hunter.

Mr. Downey: I don't know, Senator, what they expect. I suppose they don't. They know me; they know I like working there; they know my attitude to the company.

Mr. Fortier: Mr. Gilmour, most of your publications, or many of your publications, are in competition with Southam Business Publications. Will you please tell us in a few words how keen the competition is between Maclean-Hunter and Southam.

Mr. Gilmour: Well, the competition on all our publications, whether it is really with Southam or National Business or other publi-

cation houses is keen, because I think we are reasonably progressive and aggressive people. That is bias I have perhaps but I don't quite know how to say to you how keen it is. How do you describe it...

Mr. Fortier: I didn't want to ask the question in a negative sense.

Mr. Gilmour: I suppose I should be wise and say, "yes, keen as hell".

Mr. Craig: He could tell you how many pages of advertising they all carry every month.

Mr. Fortier: When was the last time you set up a publication in competition with one of Southam's?

Mr. Gilmour: The one that was mentioned this morning, *Heavy Construction News*, is perhaps a reasonably good example of what I think you are driving at anyway. Pardon me for begging the question. Southam company has had a traditional position in the construction field—that has been the flag ship or something of this sort. We felt there was a need for a publication such as we conceived in the heavy construction field and we moved in that field in competition to them.

Senator Langlois: Would you say you sank a flag ship?

Mr. Gilmour: No, sir, I would not go so far as to say that.

Mr. Fortier: How long would you carry a publication which was in competition with a good Southam periodical, but which was losing money? How long would you carry it before you decided that you had to eat humble pie and close it?

Mr. Gilmour: I don't honestly think that we have a publication where Southam have a good publication and we don't have as equally a good one—so the situation does not arise.

Mr. Fortier: Let us assume two good publications but one which is being better received by the reader in that particular market or industry. How long would you carry it before you decided you had to fold? How long would you carry at a loss?

Mr. Gilmour: Probably too long. We have carried publications at losses for ten years.

The Chairman: Are you carrying on there?

Mr. Fortier: Yes.

The Chairman: Well, you go ahead.

Mr. Fortier: No, you go ahead.

The Chairman: This is uncharacteristically generous, Mr. Fortier!

Mr. Fortier: I am tired tonight!!

The Chairman: You were here this morning, George, when we talked about the closing of the four publications by *Maclean-Hunter* and *Southam*:

An article in *Marketing* reads in part:

"Southam's *Heating, Plumbing, Air Conditioning* and the French language counterpart, *L'Entrepreneur en Plomberie Chauffage*, will service subscribers and take over the advertising contracts of the *Maclean-Hunter* publications. "In the same way, *Maclean-Hunter's School Progress* will take over from *School Administration* and its related mail services. Another M-H publication, *Design Engineering*, will take over from *Product Design & Value Engineering*."

That was a very satisfactory arrangement for both *Maclean-Hunter* and *Southam*. We put this question this morning to Mr. Daly: who made the phone call to initiate the arrangement?

Do you remember?

Mr. Gilmour: I don't.

The Chairman: I find it rather amazing...

Mr. Gilmour: I honestly don't.

The Chairman: I am sure you honestly don't.

Mr. Craig: Mr. Gilmour doesn't know who called because I received the phone call.

Senator Sparrow: I am glad we got that clear.

The Chairman: Would you agree that upon reading this particular article, which is from *Marketing*, can you understand why some person, who like me is naive—and I say that advisedly in terms of many things, but particularly in terms of the business press, would genuinely and sincerely question the degree of competition in the industry?

Mr. Gilmour: Yes, I can understand that.

The Chairman: Well, that same sentiment which I am trying to express no doubt motivated Mr. Fortier's question in asking about

the degree of competition. Do you believe the competition with *Southam* in the area of the business press is as keen as it could be?

Mr. Gilmour: Oh, yes. I would hate it to get too much keener. Again, Senator Davey, "as keen as it could be"... I don't know how keen it could get. It gets back to the question I am saying it is keen. If you are trying to find out whether there is any sort of lack of competition, because we are regarded as two major companies in the field, then I think the answer is categorically, "no".

The Business Publications Division of *Maclean-Hunter*, without sounding pompous as is not generally recognized, is not one of two large publishing houses in Canada. Our company is larger and they are trying to get all our business away as hard as they can.

The Chairman: It might be useful at this point to put the business press in perspective. There are five hundred and ten publications.

Mr. Gilmour: Yes.

The Chairman: How many are *Maclean-Hunter's*?

Mr. Gilmour: Sixty-eight *Maclean-Hunter*; forty-eight *Southam*; eighteen *National Business Publications*; thirteen *Secombe House*; sixty-six other Canadian publishers produce one or more for a total of one hundred and ten. The additional ones are one man, one publication houses.

The Chairman: So *Maclean-Hunter* has a rather commanding position in the industry. For example, we talked yesterday to the Business Press Association and the Business Press Editors' Association. If for some reason—and this is a hypothetical question—if *Maclean-Hunter* decided it was going to withdraw support, presumably those organizations would collapse?

Mr. Gilmour: I would not say they would necessarily, but I think they might miss us.

The Chairman: It might be like the postal rates, the last straw?

Mr. Gilmour: Might be.

The Chairman: Mr. Fortier, do you have a question?

Mr. Fortier: Would the Canadian reading public be less well served if there was no competition between publications?

Mr. Gilmour: I don't think so.

The Chairman: I was going to ask Mr. Craig the same question. You say, "a monopoly in the business press would be difficult to imagine". Would you think it desirable?

Mr. Craig: As a matter of fact my principle joy in life is to beat my competition. This is almost a joke amongst the people at Maclean-Hunter. We are really extremely competitive and in this area here I can remember that we started *Electrical Contractor*—we purchased *Electrical Contractor and Maintenance Supervisor* which is going into their field again and we took great delight in making our publication the biggest paper in the electrical field in a few years' time. They started a paper in competition with us a few weeks after we went into the field.

The Chairman: Implicit in this question is not that there is anything collusive but why did you not bid for Hugh C. MacLean Publications? That was a good old company, a substantial company in the industry.

Mr. Craig: I think I commented on this: we don't buy up competition. If there were individual publications of theirs that were for sale that didn't compete with our own, we would be interested in buying them, but we would not be interested in buying their *Furniture & Furnishings*, for example. We would prefer to be competitive. We feel we do a better job in fields with one or more competition.

Mr. Gilmour: I was not in my present position at the time and I am not sure of the validity, but what I heard at that time, I recall hearing our Chairman of the Board make the comment that it would not be a healthy thing for Canada if we purchased the Hugh C. Maclean publications.

Mr. Craig: There is another example: some time ago the Wallace Publishing Company was for sale and Wallace approached me and asked me if we wanted to buy it. I said, "no. I will buy certain publications", which I outlined, which would not be competitive publications to our own. He first of all didn't want to have any part of this and then eventually came back and asked, "if you are interested, would you make a deal?" We eventually resolved the problem by buying the company jointly. Southam bought the office equipment publication. We had an office equipment paper and we didn't want that. Southam went into competition with us. We don't believe in buying competition.

Mr. Turner: Could I just say that from the editor's standpoint, the competition is the spice of life.

The Chairman: I am sure it is. It causes me to ask—perhaps you are not in the position to do so, Mr. Turner—but why would you not open up in competition to all Southam publications? Why give them a free run in some?

Mr. Turner: I don't know that we do.

The Chairman: I think you do. I think we have a list somewhere. I am sure there are some areas.

Mr. Fortier: Why don't you have farm publications, for example?

Mr. Craig: We did have one and decided it was not for us.

Mr. Fortier: Why?

Mr. Craig: We had a bad experience with it. It was before my time.

Mr. Fortier: Why don't you have any labor publications?

Mr. Craig: If you can give us a viable suggestion on one... I don't know why we haven't got one.

The Chairman: The point is, Mr. Turner has suggested competition is good for editors. Why not start one in competition?

Mr. Gilmour: In most cases Southam or ourselves have competition in fields.

The Chairman: Do you have a Southam list of publications, please? Thank you. Mr. Fortier?

Mr. Fortier: Mr. Craig has just explained how you had one farm publication but dropped it. I see that in 1964 you ceased publishing *Hardware Merchandising*?

Mr. Gilmour: No.

Mr. Fortier: You did not?

Mr. Gilmour: No.

Mr. Fortier: I am sorry, my information is wrong. Did you cease publishing *Canadian Market Data* in 1964?

Mr. Gilmour: Well, yes, you can say we did.

Mr. Fortier: I wanted to pick one and ask for your reasons why you ceased publication.

Mr. Gilmour: I would be glad to give you another example, too. In the case of *Canadian Market Data*, because of the nature of the editorial material being produced in that publication, it was felt the publication would be best merged with the *Financial Post Survey of Markets*. There was a duplication of information.

Mr. Fortier: And *Stationery and Office Products*?

Mr. Gilmour: We stopped because it was an impossible field to make a profit at after many years of losses.

Mr. Fortier: Purely a question of economics?

Mr. Gilmour: Yes.

Mr. Fortier: *Climatisation, Chauffage et Plomberie*.

Mr. Gilmour: The same thing.

Mr. Fortier: *Electrotech*.

Mr. Gilmour: *Electrotech*. I don't believe we ever published really. It was one of the publications which we purchased from Gabriel Marchand along with *Québec Industriel*. We may have published one issue. We didn't feel that the field was large enough.

Mr. Fortier: Without expanding much more on this question, when you ceased publication it was always for an economic reason?

Mr. Gilmour: Yes; or perhaps after looking at a field as intimately as you do when you get involved, you begin to realize you made a poor decision so you cease publishing.

Mr. Fortier: What about the reverse side of the medal, a new publication? How are you motivated into starting a new publication? Do you have people in your division who do this sort of market survey?

Mr. Gilmour: I am glad you asked this question. To answer the last question first, I think that senior people in the division—Mr. Craig has been involved in the conception of many publications and I have been involved in the conception of quite a number and so have others who are in our company. We have just started a magazine called *Canadian Datasystems*. I believe it is now in its third or fourth issue and this is a publication serving those people in Canada who have need to apply data processing machinery to their businesses.

You go about finding out about a field like this from clues you pick up as you go around the marketplace. Of course, you keep your eyes open to what is happening in other countries, the United States and Britain. You get to the point where people say to you, "why don't you bring out a magazine in the data processing field?" We probably turned down more magazines that are suggested than we start. A lot of people come to us and want us to start a magazine—the ceramic field is one that I can remember turning down. You go out and do an investigation in the marketplace to find out if it is a viable idea and you budget an amount and get people together and go to work.

Mr. Fortier: When you make an investigation you must consider the advertising angle?

Mr. Gilmour: Yes.

Mr. Fortier: Of course.

Mr. Gilmour: Yes.

Mr. Fortier: Does that weigh very heavily in the decision you eventually take?

Mr. Gilmour: Yes. If the publication is not going to be a profitable publication, it is not going to be a very necessary publication.

Mr. Fortier: Do you seek a definite assurance of a certain level of advertising before you decide to start publishing?

Mr. Gilmour: If we can get any such assurance, we are glad to have it. We have started publications with a very little assurance, or with some assurance.

Mr. Fortier: Within your existing publications, what is the ratio of advertising to new or editorial content?

Mr. Gilmour: The way we look at it, as explained today, is that in almost any field there is a minimum requirement in terms of editorial space and when you start a magazine you have to commit yourself to that kind of editorial requirement or not. Now this varies from publication to publication but broadly and large I would say that our ratio runs between forty-five to fifty-five per cent either way.

However, I am not one of those that necessarily feels that the ratio of editorial material should go up just because more advertising lineage comes in. In the business press advertising lineage, itself, can be an important reader-interest area. You can get magazines where there is material produced just t

fill editorial pages, where you get an excess of material. The writing has not been tight enough. I don't think I am saying this very well.

Mr. Fortier: Is this what you call news hole in the daily newspapers?

Mr. Gilmour: I don't know.

Mr. Turner: You mean filler material.

Mr. Fortier: This is what Mr Gilmour is talking about. Would you tell us, Mr. Downey, what your experience is in your own magazine. Do you feel there is an excessive weight of advertising material in *Home Goods Retailing*?

Mr. Downey: No, sir, I don't think an excessive rate. We are a tabloid newspaper which has problems a little different than on a magazine. We run fifty per cent editorial every issue and sometimes, in the small issues, a good deal more than fifty per cent. I want more advertising, not only from the revenue point of view but for the reader. Good business advertising, remember, is going to businessmen who read that advertising and is as important as the editorial content. In my field, the merchandising field, the product is being advertised to retailers who will look at the advertising from their own interests, can they make a profit on it? So the ads are very, very important to us.

Mr. Fortier: Is that a valid statement in all business publications that advertising is just as important to the reader as the editorial content?

Mr. Downey: Yes, I think on most of them.

Senator Langlois: Have you ever conducted surveys which were read most—editorial or advertising?

Mr. Gilmour: Yes, we have conducted, I suppose in the last ten years, readership studies on both readership of advertising and readership of editorial and the relative difference of readership in the beginning, in the end, or in the middle of the magazine; and the editorial usually rates a little higher, but very close to the advertising.

The Chairman: If I may, before you put the next question—I am aware that Senator Sparrow is waiting to ask some questions—but at about this time we normally break for a few minutes. I am not going to break now, but I would like to try and adjourn at ten o'clock.

If the reporter can go through, I would like to carry on with that adjournment in mind.

I will pass to Senator Sparrow and return to you, Mr. Fortier.

Senator Petten: Could I ask just one question?

The Chairman: Is it a supplementary?

Senator Petten: Yes. Mr. Gilmour, you have been asked about the competition between yourself and Southam. Do you not have competition from the other people in the field?

Mr. Gilmour: Other media?

Senator Petten: Other business publications?

Mr. Gilmour: Other business publications—there are other publishing houses, yes. Of course, we do. We have some good competitors here tonight who are not from Southam. Yes, there are other competitors.

The Chairman: I think Mr. Craig wants to add something on the question of competition.

Mr. Craig: Mr. Fortier asked the question, why don't we compete with Southam Publications where we are not competing? I looked over the list and there are about four publications in fields that we would like to be in. We are not in them basically because there is more than one publication serving that field and we feel that two publications is probably as much as that field can justify. We have a public relations angle. If we move into the field with all our research and the weight of our organization, the chances are somebody is going to get put out of business. It will be expensive in the first place and not desirable. We would far rather wait and find the opportunity of buying a publication in that field. As a matter of fact, in at least one of the fields, the situation is changing and we will be probably announcing a new publication to compete with one of the Southam publications.

The Chairman: Do you want to make the announcement now?

I apologize to Senator Sparrow. It is a long time he has been waiting.

Senator Sparrow: How many of your publications belong to the Canadian Business Press Association?

Mr. Gilmour: All of them.

Senator Sparrow: That is sixty-eight?

Mr. Gilmour: All the business publications are members, yes.

Senator Sparrow: Southam and yourselves have ninety out of a total of one hundred and thirty-two memberships?

Mr. Gilmour: Yes.

Senator Sparrow: I think if you did drop out, it would be quite a shock to the Association, as the Chairman suggested. What is the circulation per year of your magazines?

Mr. Gilmour: We have it in the brief here.

Senator Sparrow: You have the "per issue" in the brief.

Mr. Gilmour: That's right, we do have. I am afraid I am in the same position as were the people this afternoon.

The Chairman: Mr. Mansfield?

Mr. George Mansfield, Manager, Canadian Business Press: It worked out to twelve times the circulation per issue so it probably applies to your group.

Mr. Gilmour: Our circulation is in the neighbourhood of five hundred and twelve thousand per issue. You would have to find out how many weeklys and monthlys.

Senator Sparrow: You figure five hundred and seventy-six thousand in your brief.

Mr. Gilmour: Right.

Senator Sparrow: So it would be ten or twelve times.

Mr. Gilmour: I guess you are looking at about seven million. Does that make sense?

Senator Sparrow: Your advertising revenue, would you be prepared to give us that figure?

Mr. Gilmour: I think you have that in the confidential information.

Senator Sparrow: You are not prepared to give that tonight?

Mr. Gilmour: No, sir.

Senator Sparrow: Your principals were here today and said they would like to see the retention of the status quo as far as the publication is concerned of *Time* and *Reader's Digest*.

In the Southam presentation it appeared, to me at least, that they were not quite as happy with *Time* and *Reader's Digest*, particularly

Time, still publishing in Canada. They suggested at least a million dollars would go into the business press without *Time* being in competition. Would you agree with this? Do you have a different stand on this issue than the parent company which were here this afternoon?

Mr. Gilmour: Well, of course, I am part of the parent company as a director of the company. I support the position that there has been a great deal of discussion about this position. I understand it and I think it is probably one I would support.

The Chairman: I think perhaps the question that Senator Sparrow is driving at is—let us take *Time*—does *Time* cost you advertising in the business press?

Mr. Gilmour: I think there is money in *Time* advertising that we might have a better chance than many of getting.

The Chairman: Over the dinner hour, our research staff got several recent issues of *Time*. How many do we have?

Mr. Fortier: The last month, four.

The Chairman: Could you go over these and tell me if these might be legitimate. Here is a full page for Clark Equipment Company. Here is a double page spread of Atlas Copco Canada Ltd.

Mr. Gilmour: Yes.

The Chairman: Smith-Corona.

Mr. Gilmour: Yes.

The Chairman: Another double page for Consolidated Computer Services Limited.

Mr. Gilmour: Right.

The Chairman: Sony—The World's Best. Cominco Ltd. a full page.

Mr. Gilmour: Right.

The Chairman: Burroughs Business Machines Ltd. a full page. A full page 3 M Company.

Mr. Gilmour: Yes.

The Chairman: Two-thirds of a page, Canadian National.

Mr. Gilmour: I think perhaps this one doesn't apply.

The Chairman: Singer, the particular division (Friden) of Singer, a full page.

Mr. Gilmour: Right.

The Chairman: Remington Rand Office Machines, a full page.

Mr. Gilmour: Right.

The Chairman: A double page spread for IBM.

Mr. Gilmour: Right.

The Chairman: A full page Xerox.

Mr. Gilmour: Yes.

The Chairman: A full page Air Canada Jet-Air Freight. A full page Consolidated-Bathurst.

Just several issues. Now, perhaps some of these advertisers use the business press as well, but that surely must represent a problem.

Mr. Gilmour: You mean it represents a problem because we assume all that money would go into the business press and why are we not getting it?

The Chairman: I think these might be normally described as potential business press advertisers.

Mr. Gilmour: Yes.

Senator Sparrow: Is there any conflict between your company in the consumer field and the business press field?

Mr. Gilmour: There might be some differences of opinion.

Senator Sparrow: Really a conflict?

Mr. Gilmour: I would not put it in those words, sir. It is a fact that a lot of the advertising that goes into *Time* could possibly be placed in some of our business magazines. I don't know how much. I also, however, concur with the approach that the consumer magazines have taken, as they stated this afternoon.

The Chairman: Do you have anything further on that question?

Senator Langlois: Some of this advertising would be going to the American advertisers.

Mr. Gilmour: The American publications?

Senator Langlois: No; the advertising carried out now in *Time*.

Mr. Gilmour: I don't think so. I believe most of those advertisements I looked at

quickly were Canadian based advertisements. You were thinking they might be in the American edition of *Time*?

Senator Langlois: Other American magazines, for that matter.

Mr. Gilmour: These carry Canadian addresses, which, of course, could be changed. It looked to me as though the ads were addressed solely at the Canadian market.

Senator Langlois: They come from American advertisers.

Mr. Gilmour: Quite a number of them.

Senator Langlois: Which might be inclined to put ads in an American magazine instead of using a Canadian competitor.

Mr. Gilmour: These companies are in American magazines too. Clark Equipment is a well-known lift truck company. They may advertise in the American issue of *Time* for all I know. This particular one I can't see the address on that. Atlas Copco. is a Canadian advertisement.

The Chairman: You say in your brief, at paragraph 48, relating to the O'Leary Commission:

"It seems apparent that although the total overflow circulation has risen to one million, two hundred and thirty-three thousand and forty-seven in the decade 1959-1969, the effects of the O'Leary Commission recommendations made during that decade have decreased the rate of growth to the point where it has almost stopped."

Do you stand on that statement?

Mr. Gilmour: Yes.

The Chairman: Has legislation evolving out of the O'Leary report assisted you in getting more advertising dollars?

Mr. Gilmour: I would think so.

Mr. Fortier: I have a supplementary, if I may. Since the O'Leary report and the legislation which followed it, have there been instances of what was called in the O'Leary report, "the second house technique"? Are you aware of that?

Mr. Gilmour: I think I understand. There have been no new instances of that as far as I know.

Mr. Craig: I have heard that one or two tried to get started and found they couldn't do so.

Mr. Fortier: Because of the Income Tax Act, section 12 (a); so to that extent that has been good for the industry?

Mr. Gilmour: Right.

Senator Sparrow: In paragraph 58 you say:

"Since we compete with U.S. publications and since these U.S. publications are a real threat to us, the Post Office should get our rate as close to that of the United States as possible."

Are they that much of a threat, if in 1959, the figures were 1,120,000, circulation and in 1969, 1,233,000, which is only 112,000 increase in ten years. Does that really mean there is a threat? I appreciate that you make reference in here that you do a good editorial job in magazines, which I am sure you will say again now but it really doesn't appear that much of a threat, if they are not increasing the share of the market.

Mr. Gilmour: The threat the U.S. publications hold towards us is partly because so much of our advertising either originates out of the United States or is based on behalf of companies which operate in Canada which are American companies with Canadian subsidiaries and were the advertising decisions are often made in the United States.

Now, it is a fact that in the United States, the opinion is abroad in some quarters that you don't need to advertise in the Canadian publications in order to really get coverage of the Canadian market. Now, as those American publications become more viable commercially, that story can be made more strongly. In saying that we should have an equitable position in this case, I feel we should have it with the United States publications. We are paying a higher rate than the United States publications are and we feel in a sense it should be equalized.

The Chairman: Yes. I think Mr. Craig wants to make a comment.

Mr. Craig: In the Canadian Business Press presentation, we referred to the total circulation of Canadian business publications as being 4.4 million per issue. This is almost more than one-quarter of that and that is a pretty substantial chunk of the competition.

Senator Sparrow: That is early though. You are using issue per year; are you not?

Mr. Craig: These are comparable figures, yes.

Mr. Mansfield: I can testify the figures are per issue in both cases, circulation per issue.

Senator Sparrow: Yes, that is correct.

The Chairman: Could we use your rule of thumb on the American flow of multiplying by twelve to get the annual dimension?

Mr. Mansfield: Yes, I think so.

The Chairman: So there would be thirteen million!

Mr. Mansfield: Yes.

The Chairman: Senator Sparrow.

Senator Sparrow: Beginning at page three you talk about the social service you have given to Canada through editorial stands in your magazine. I checked the list of the Canadian Business Press membership and—I counted them yesterday—I think I received myself sixteen of those publications, but I don't ever remember reading a pro-labor article or editorial in any of them; nor, in fact, anything pertaining to labor. Can you give me any instances in your magazine where you have taken a pro-labor stand which may be at variance with the business community?

Mr. Gilmour: I can't think of any case. Mr. Downey?

Mr. Downey: In my area of merchandising one continuing controversy for the last fifteen years, has been store hours. We have been involved on several occasions from the employees' side, which has not made us any friends from the mass merchandisers.

Senator Sparrow: Have you taken a stand for example, on minimum wages?

Mr. Downey: In our field, my own field minimum wages—I am in the big ticket business and our people are top paid people in retailing. This is not an issue in my area; but store hours, hours worked and night hours as a regular thing, three or four nights a week working nights regularly, that kind of thing, we have been involved in on a number of occasions.

The Chairman: Mr. Craig, could you comment on Senator Sparrow's question?

Mr. Craig: I have been trying to think of examples. We have had many articles on safety and dangerous practices and criticized

management where they have caused these and also criticized labour where they have been responsible for bad practice. I can't think of anything specific along that point of Senator Sparrow's.

Mr. Gilmour: Mr. Craig reminded me of something that happened. There was a campaign of advertising running in some industrial magazines for steel strapping. This steel strapping caused a lot of accidents; people cut their hands and it snapped and would cut them and that sort of thing. We got some advertising from the plastic strapping people who were trying to put the steel strapping people out of business. The steel strapping brought pressure on us to stop running this advertising and in an editorial we had been talking about the merits of the plastic strapping.

The only connection is—you raised the point about labour unions and in this particular case—please don't ask me for the details but I can get them if you want—the labour unions were vigorously fighting for the abolition of the steel strapping. The steel strapping people were saying to us, "if you don't stop running this plastic strapping in the editorials, we will take the advertising out of your magazines"; which they did.

Senator Sparrow: In reference to competition, we covered the subject a little bit previously and you say in paragraph 46:

"The primary competition for Maclean-Hunter business publications comes from the major multiple publication houses (see paragraph three); from publications which are produced by non-profit associations..."

You proceed from those two groups and you lump them in together. I used the figure this afternoon and I will re-calculate it again now. Between the two main firms you receive—I used the figure fifty per cent this afternoon and would say between forty and fifty per cent of the advertising revenue between the two firms; that is without National Business and Secombe House. The other two hundred and fifty-three you refer to are not really competition, are they, as you stated in paragraph forty-six?

Mr. Gilmour: Well, you mean competition for the business publishing dollar?

Senator Sparrow: You said the primary competition are these people, these two hundred and fifty-three.

Mr. Gilmour: I think I really stand by this statement, Senator: the primary competition are the major multiple publishing houses and the direct mail and other forms of media.

Senator Sparrow: You didn't say that.

Mr. Gilmour: Didn't we?

We lose business, as you have drawn to my attention, by advertising such as that in *Time* and also some to our own consumer magazines. Some industrial companies spend money in magazines like *Maclean's* and we lose a lot of competition within our own house.

The Chairman: Does the Business Press Association have an over-all business press sales presentation?

Mr. Gilmour: Yes, sir.

The Chairman: Which it makes to the advertising agencies on behalf of the business press?

Mr. Gilmour: On behalf of the business publications, yes.

Senator Sparrow: I have one final question. You refer to aptitude tests for your employees and so on. It came to us that you have your employees submit to a psychiatrist for examination. Is that a correct statement?

Mr. Gilmour: No. I would not say that is a correct statement. We have our people take aptitude tests, written tests, similar to what the universities and colleges are doing today.

Senator Sparrow: You don't have to be crazy to be in the business, but it does help!

The Chairman: Mr. Craig is making the point that there is a difference between psychologists and psychiatrists.

Senator Sparrow: Yes. Our information was psychiatrists.

The Chairman: Once again, Mr. Fortier, I am going to give you the last question.

Mr. Fortier: On this aspect of competition which you dealt with in answer to Senator Sparrow's questions, I would like to read to you a passage from the O'Leary report which, as you know, was written in 1961. Writing about business papers on page fifty-seven, he had this to say:

"While consumer magazines face their strongest competition from television, overflow circulation, weekend newspa-

pers and Canadian editions (probably in that order), business papers are most affected by direct mail (which is actually controlled-circulation type of distribution of advertising without editorial content) *Time* magazine, overflow circulation of United States business papers and a specialized form of 'Canadian' edition to which we shall refer in detail later."

That is the second house technique which we dealt with earlier.

These other competitive areas listed here by Senator O'Leary, are they still prevalent today in the industry ten years later?

Mr. Craig: We have talked about *Time*, and the direct mail...

Mr. Fortier: Is that a serious competitor?

Mr. Craig: Yes; I would say there is a good volume of dollars go into direct mail.

Mr. Fortier: Overflow circulation of United States business papers...

Mr. Craig: As we have said in the brief, I think that has been declerated because of O'Leary.

Mr. Fortier: So I would say P.O.—"post-O'Leary".

Senator Langlois: Has that direct mailing been severely hit by the increase of postal rates?

Mr. Craig: Yes.

Mr. Fortier: The "P.O. legislation" dealt effectively with the second house technique. Did it also deal with what Senator O'Leary referred to as the "distribution-franchise system"?

Mr. Gilmour: Yes. I think this is a system where the publication is created in the United States and the back cover, or something of this sort, is sold to the distributor in Canada and he distributes it. As far as I know there are none of those around anymore.

Mr. Fortier: Again dealt effectively with by the legislation?

Mr. Gilmour: I would think so, yes.

Mr. Fortier: Would you say in very general terms the business publication division of Maclean-Hunter is a profitable one? I don't want the details.

Mr. Gilmour: Yes.

Mr. Fortier: I will ask you if this statement here is still valid today nine years later. Page sixty:

"There is little, if any, doubt that but for the profitable existence of business papers, there would be no Canadian general consumer magazines today. Almost without exception they have been heavily subsidized from the business paper profits of their publishers. Even where they managed to break even over the years, as has been the case with *Maclean's*, this has been achieved only through the pouring in of money made possible by the existence of substantial flow of profits from the business paper operation."

Is that still valid today, Mr. Gilmour?

Mr. Gilmour: Aided and abetted by Mr. Campbell's interest in television and radio fields which are hopefully going to be very good businesses to be in—it may be still true.

The Chairman: If there are no further questions then, I might on behalf of the Committee express our appreciation to Mr. Gilmour and to his colleagues. We know it has been a long day for you. I am sure it must be easier to sit up here in the front and be able to speak than to sit at the back and want to speak.

You made a statement earlier on in your introductory statement that if the Committee accomplished nothing else, you would be grateful if it accentuated or emphasized or was able to bring home to some people the importance and significance of the business press. Some people, not on the Committee, have questioned me about the fact that this Committee has dealt with the business press at greater length than it did, for example, with the ethnic press. As I said to them yesterday, and I say to you, the hearings phase is but a phase of our study and our ultimate deliberations upon the business press cross-section of the media spectrum is certainly by no means complete although as far as the business press is concerned we have completed our public examination.

I would say to you, that if you have additional information, which you think we might find useful, we would be delighted to receive it. If we have additional information we need from you, I can assure you we will be in touch.

Before adjourning, may I remind the Honourable Senators that the next session of

the Committee is on Tuesday morning at ten o'clock in this room when we will be receiving the brief from The Agricultural Institute of Canada. Later in the morning the *Free Press Weekly*. Tuesday afternoon—*Saturday Night*. And then I think a particularly inter-

esting witness, at four thirty next Tuesday, Senator O'Leary himself.

The Committee stands adjourned until ten o'clock next Tuesday.

The Committee adjourned at ten fifteen p.m.



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 20

TUESDAY, FEBRUARY 17, 1970

WITNESSES:

Agricultural Institute of Canada: Mr. W. E. Henderson, General Manager, Agricultural Institute of Canada; Mr. Keith Bradley, Member, Agricultural Institute of Canada; Mr. R. E. Forbes, Principal, *Agricultural Extension Centre*, Brandon, Manitoba.

Free Press Weekly: Mr. R. H. Shelford, General Manager.

Saturday Night: Mr. William Nobleman, Saturday Night Publications Limited; Mr. Robert Fulford, Editor, Saturday Night; Mr. David Fry, Secretary, Saturday Night Publications Limited.

Senator M. Grattan O'Leary.

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, *Chairman*

The Honourable L. P. Beaubien, *Deputy Chairman*

Beaubien,
Bourque,
Davey,
Everett,
Hays,
Kinnear,
Langlois,
Macdonald (*Cape Breton*),

McElman,
Petten,
Phillips (*Prince*),
Prowse,
Quart,
Smith,
Sparrow,
Welch.

(16 members)

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,

The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (*Halifax North*):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

TUESDAY, February 17, 1970.
(20)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 10.00 a.m.

Present: The Honourable Senators: Davey, (*Chairman*); Macdonald (*Cape Breton*), McElman, Petten, Smith and Sparrow. (6)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director.

The following witnesses were heard:

Mr. W. T. Henderson, General Manager, Agricultural Institute of Canada;

Mr. R. E. Forbes, Principal, Agricultural Extension Centre, Brandon, Manitoba;

Mr. Keith Bradley, Member of the Agricultural Institute of Canada;

Mr. R. H. Shelford, General Manager, Free Press Weekly.

At 1.25 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (*Chairman*); Everett, Macdonald (*Cape Breton*), McElman, Petten, Quart, Smith and Sparrow. (8)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. William Nobleman, President, Saturday Night Publications, Limited;

Mr. Robert Fulford, Editor, *Saturday Night*;

Mr. David Fry, Secretary, Saturday Night Publications Limited;

The Honourable Senator M. Grattan O'Leary.

At 6.05 p.m. the Committee adjourned to Wednesday, February 18, 1970, at 9.30 a.m.

ATTEST:

Denis Bouffard,
Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA EVIDENCE

Ottawa, Tuesday, February 17, 1970

The Special Senate Committee on Mass Media met this day at 10 a.m.

Senator Keith Davey (*Chairman*) in the Chair:

The Chairman: Honourable Senators, in calling this session to order I would like to make a short announcement which I think is self-explanatory. It is in connection with Friday's schedule. Because of the illness of Mr. Paul Zimmerman, the President of the Reader's Digest Association (Canada) Limited, it will be necessary to postpone the Reader's Digest hearing set for Friday. We are, therefore, cancelling Friday's session and, of course, it will be rescheduled later on. We are not yet able to confirm the new date.

Mr. Gerry Goodis who was scheduled to appear at nine thirty a.m. on Friday morning has kindly consented to be with us instead at nine thirty a.m. tomorrow morning. The Reader's Digest hearing is postponed—not indefinitely, but until a date as yet we are not able to specify. The *Maclean's Magazine* brief will be received tomorrow morning at eleven o'clock.

As you know this afternoon we are going to hear at four thirty from Senator O'Leary and at two thirty from *Saturday Night*. This morning we are going to turn our attention to briefs we are receiving in connection with the farm press.

With us this morning for this first session are representatives from the Agricultural Institute of Canada. Sitting on my immediate right is Mr. Reg. Forbes, Principal, Agricultural Extension Centre, Brandon, Manitoba. On my immediate left is Mr. W. E. Henderson, General Manager of the Agricultural Institute of Canada and sitting on Mr. Forbes' right is Mr. Keith Bradley, a third member of the group here this morning who is a member of the Institute.

Now, Mr. Forbes, the brief we requested some three weeks in advance was received but unhappily not quite as far in advance as

we might have preferred in terms of the Senators studying the brief. Some of them I know are familiar with the contents but others may not be as familiar with the contents as with some of the other briefs we have been examining. In any event the procedure is as follows. I am now able to offer you fifteen minutes in which you can expand or explain or add to or clarify anything which is in the brief—indeed you are perfectly free to talk about other matters. Following your statement we would like to question you on the contents of your brief and perhaps on some of these things you say in your oral presentation or on matters which aren't referred to in your brief or your oral statement. Welcome and we are happy you are here, Mr. Forbes.

Mr. Reg. Forbes, Principal, Agricultural Extension Centre, Brandon, Manitoba: Thank you very much, Senator Davey. Members of the Senate, ladies and gentlemen, on behalf of the Agricultural Institute of Canada, I would like to express our appreciation for the opportunity of commenting before the Senate Committee on Mass Media. Our comments will relate to the agricultural industry. We are privileged to be here and we hope that we can make some comments which will provide you with some information which will be helpful in your determination with respect to the activities which should take place relative to the press and particularly in our case to the agricultural press. May I first of all indicate something of the nature of the Agricultural Institute of Canada.

"It represents more than four thousand university graduates in the physical, biological and social sciences who are employed in the agricultural and food industry.

Members of the Agricultural Institute of Canada provide a professional service in all phases of the agricultural and food industry, including research, administration, teaching, extension, agri-business and communications. Affiliated with the Institute are eight scientific, technical

societies: The Agricultural Pesticide Society, the Canadian Agricultural Economics Society, Canadian Society of Agricultural Engineering, Canadian Society of Agronomy, Canadian Society of Animal Production, Canadian Society for Horticulture Science, Canadian Society of Rural Extension, and the Canadian Society of Social Science.

The Institute, with the editorial assistance and advice of several of its affiliated societies, publish the *Journals of Plant Science, Soil Science and Animal Science*, we also publish the *A.I.C. Review* which is a bi-monthly magazine devoted mainly to articles or trends or developments in Canadian and world agriculture.

The Agricultural Institute of Canada this year is celebrating its fiftieth year. One of the objectives as stated in the charter of the organization is to 'serve as a medium where progressive ideas for improvements in agriculture education, investigation, publicity and extension work can be discussed, formulated and recommended for adoption where deemed advisable'.

It is by this avowed objective that the brief is presented to you."

May I first of all give you a very brief summary of the brief and a brief review of some of the recommendations which we would like to make to your Committee, Mr. Chairman.

The Chairman: Fine.

Mr. Forbes: "The farm oriented mass media have made an essential contribution to the development of the agricultural industry. Farmers have used and continue to use the farm press as a source of information on farm practices, markets and research activities, and as a source of contact with the outside world. Because farmers often operate in physical isolation, the mass media are extremely important to this segment of society from a business and management standpoint. The effect of the mass media on farm practice is well documented. It indicates that a majority of farmers receive their first word on new ideas via the mass media. The process by which new ideas are normally transferred to practice stresses the importance of the mass media in the development of modern farming methods.

The farmer cannot live in economic or social isolation. Agriculture requires viable rural communities, centres of service which provide the amenities of life for those who provide essential professional, technical, educational, merchandising and other services. The mass media greatly influenced the image of the rural community as held by urban people. This affects the quality of personnel who are attracted to rural areas.

Just as agriculture itself has undergone rapid change and adjustment, the farm press, radio and T.V. have undergone an upheaval in recent years in trying to adjust to the changing needs of the industry. At a time when the farm business becomes increasingly complex, the need for information becomes more acute. The farm press in Canada has been under financial strain. Canadian agriculture has not been sufficiently profitable to support the kind of press required.

It appears that in the future the farm press will aim its various messages at specific types of farmers. The importance of radio and T.V. will decrease as sources of farm information. The success of the press in continuing to do a good job will hinge directly on the ability of the industry to support the press. It is in effect an inter-dependent relationship."

Gentlemen, if I may from our brief draw a few conclusions and make some recommendations.

"Number 1. The survival of an entrepreneurial-type farm industry is dependent on adequate farm information."

I think, gentlemen, that the brief documents this case. Because of the fact that we have in Canada some four hundred thousand farmers in total, two hundred thousand of whom are put into the commercial category and because of the fact we have so many of these people and because of the fact that there is a central organization who would direct the managerial efforts of the people you have to depend on some kind of mass media. These people have to depend on the mass media for new ideas and so on and so forth because it can't go down through any kind of organization like it does in most industries.

"Number 2. In spite of the trend of farm publications becoming highly specialized to serve the specific types of

enterprises—that is—hog producers, poultry producers, and so on, the individual farm operator needs information of a broader nature so he can relate to the broader social and economic conditions which influence his operations. Therefore, this general information must be provided and should continue to be provided by the general mass media—that is, the general farm publication, and other media.

Number 3. Independent—non-public—mass media is the only means whereby the necessary dialogue between these various segments of the agricultural industry and between the industry and government can be assured.”

There have been some suggestions in the past that the farm press could in effect be a kind of expanded government informational source. We submit that this is not a fact, that we need the kind of independent press which can make editorial comment and establish the dialogue, if necessary, between government and various segments of the industry.

“Number 4. Government policies which encourage a market-oriented and dynamic agriculture will ensure that sufficient of the proper resources flow into the industry. An economically viable industry through the process of profit opportunity will support the highly necessary agriculturally-oriented media.

Number 5. Greater parody of educated leadership between urban and rural areas must be promoted. To attract the quality of leadership required in rural Canada, a means must be found of properly portraying the image of the rural community to urban people. It is suggested that those in the mass media study, visit and tell the urban people about the scientific, technical, business and social conditions which reflect life in rural Canada today.”

Number 6 gentlemen is more in the form of a question than a statement. You must recognize that we did not have as much time as some of us would have liked for the development of the brief and we did not have the opportunity to spend any time in Quebec and the statement with respect to farmers in Quebec is taken from association and dialogue with some of the members of the French Agricultural Community in Manitoba and I recognize full well that the U.C.C. and their publication, and La Ferme are doing an

excellent job in Quebec and we simply pose number six as a question rather than as a statement.

“Number 6. Farmers in Quebec may have an unique problem, in that many may not be able to read English, and most of the farm publications on the North American continent are published in the English language. It is suggested that consideration be given to providing an abstracting service of agricultural information to the farm and related audiences in the province of Quebec.”

Here we are referring to such advanced publications that come from the American farm community and to be specific we refer to the *Doan Press* and *Better Business* and this kind of thing which is quite highly technical in areas in which we feel the United States is considerably ahead of the Canadian agricultural community.

Number 7 gentlemen—and here I would like for the official record—I would like to recommend a change in the last sentence of this summary. If you would, please, in the last sentence—the last few words, instead of, “information to farmers and the rural audience”, change this, if you will, to, “information to farmers and the urban audience throughout rural Canada”. Mr. Chairman, we request the liberty to change two items and this is one of them. Now, let me continue that full paragraph, if you will.

“Since the C.B.C. carries out extensive programming of two of the media, radio and T.V., we recommend that this Crown agency be urged to increase its total coverage of rural Canada to provide more information to farmers and the urban audience throughout rural Canada.”

In statement number eight we request that you put a period after the word, “releases”, and just stroke out the following, “rather than pay a subsidy to the press”.

The Chairman: Fine.

“Number 8. We further suggest that the farm press can be successful only when the agricultural industry as a whole is economically strong. In times of financial stress in the agricultural industry, we recommend that government departments and agencies embark on a ‘paid space’ program in selected agricultural publications for their releases.”

We feel that this would be more desirable than allowing the farm press to be directly subsidized and that if the government would embark on this program but only in times of financial stress (which could be determined by some criteria which we would be happy to suggest) we would then be able to sustain a free farm press.

"Number 9. According to the agricultural economics research council, the agriculture industry contributes forty-two per cent of Canada's gross national product. In view of the importance of the agricultural industry to Canada, it is important that all major daily newspapers employ agricultural editors to prepare material for inclusion on the business pages of their publications.

Number 10. Many farm publications have been adversely affected by the recent increase in postal rates and we would urge that all farm publications continue to enjoy second-class mailing privileges. We urge that all farm and farm organization publications be allowed special consideration because they bring scientific and technical information to the farmer in layman's language. There are also a number of non-profit scientific and technical organizations which publish scientific and technical information which generates information for the farm press to use. It is recommended that publications of this type of organization should also enjoy second-class mailing privileges or that provision be made in the regulations to recognize and offset the higher postal rates."

Mr. Chairman, with that brief review of the contents of the brief I would be very happy to attempt to answer any questions that you may wish to put.

The Chairman: Thank you very much, Mr. Forbes. We will perhaps direct our questions to you but with any of them, if you wish to perhaps farm a few to either Mr. Henderson or Mr. Bradley, then by all means feel free to do so. I think we will start with Senator Smith this morning.

Senator Smith: Well, thank you, Mr. Chairman. I have a few questions but Senator Sparrow coming from an area of the country where agriculture is much more important he would perhaps have much more knowledge of the industry which he will perhaps direct into questions later on.

I was very interested indeed when we learned and it was repeated here this morning that the Agricultural Institute of Canada itself and the operations of the Institute is not under examination here at all, composed as you are of these thousands of graduates who are working in the agricultural and food industry. I think what you can do is help us understand the needs better of the farm press and we appreciate very much the evidence we are going to get from you. We know that your economic future doesn't depend on the attitudes that you might express or any conclusions that we might draw but they could be helpful to you.

I was rather interested in one statement that I think you made in your brief and you repeated it here this morning. You referred to the decline in radio and television aimed at the farming community. Would you like to give us an explanation of why this is happening. Has it to do with the flow of rural community people into the urban areas?

Mr. Forbes: Yes. I think that likely this is the greatest factor. The fact that our population is shifting and is becoming more urban and naturally the radio and television stations wish to direct their efforts towards the greatest audience and the greatest audience is urban so that is the way it goes. I think that that is probably the main reason that it is going this way and as examples on what has happened—if you take a look at the C.B.C. farm related programs where they used to be quite specific and aimed at the farm segment now, for instance, the Country Calendar has become quite different and is no longer a farm kind of program or informational kind of program for the farm audience. It is more of what you might call a public relations program on behalf of the urban community.

Senator Smith: Well, don't you think that is also valuable?

Mr. Forbes: Absolutely. This is essential to the retention of a viable rural community.

Senator Smith: Do you believe that the abandonment of a radio program such as the Farm Forum was a bad thing for the C.B.C. to do as a source of information to the farming community?

Mr. Forbes: I think that the farm radio forum served a real purpose during its time. It served for a long time but unfortunately it did not see fit to change its format in keeping with the changes of time and I think this is

the reason it became redundant. I regret very much that this program became redundant because it was a good source of information. It gave the people an opportunity to enter into the dialogue with respect to farm policy and things broader than just the technical operations.

The Chairman: Mr. Henderson wishes to add a comment.

Mr. W. E. Henderson, General Manager, The Agricultural Institute of Canada: If I may just add a comment. Mr. Forbes has covered very well the situation vis-a-vis the C.B.C. but a brief history of public broadcasting in radio and television I think is significant in the private sectors.

Not more than twenty years ago scattered across Canada you had a farm program directed at a farm audience sponsored by companies that were in a position to sponsor products to the farm audience who were the potential purchasers, however, when the farm audience dropped and the mass audience became more urban, the radio and television stations could no longer keep this guy on staff because they couldn't pay his salary because of the revenues that come from advertising. As a result over the last twenty years, you have seen a disappearance of the kind of good technical, scientific farm magazine kind of information from public broadcasting.

The Chairman: Could you give us any examples of that, Mr. Henderson?

Mr. Henderson: I couldn't. I think in our brief it is documented. There are only a few left and one is Wingham...

The Chairman: Yes, I was going to mention that.

Mr. Henderson: And Mr. Forbes is here and perhaps could tell us about the station at Brandon, Manitoba. Has that disappeared now?

Mr. Forbes: We do have a couple of programs which are sponsored and which relate to the farm and have been retained on the Brandon stations. There is a fifteen minute T.V. program which is sponsored by a national machine company and there is a radio program which was sponsored by a local feed company.

Mr. Henderson: If it is not already covered in the brief—I am certain it is having read it

a number of times—we would be glad to provide more specific information for you, if you wish.

The Chairman: Thank you.

Senator Smith: I used to listen to a program occasionally when I was back in my home area of Nova Scotia which came on about noon hour. When I got home early from lunch I would hear this program and it was directed almost entirely to the farm community and it even included a little play that had a lesson going. I remember the title of the play was "The Gillans". Now, is that sort of broadcast still going on?

Mr. Forbes: This was the eastern counterpart I believe of the programs we had in western Canada. In eastern Canada, the play was "The Jacksons". This was part of the C.B.C. farm broadcast program in which I spent a number of years. It was a farm show at noon and it had regional variations a part of which was the farm family. Now, this was withdrawn about five years ago.

The Chairman: What was withdrawn?

Mr. Forbes: The dramatized section.

The Chairman: Yes, but the farm program is still on?

Mr. Forbes: The farm program is still on, but it is a mixed bag of urban oriented material. I don't think I am suggesting that it is necessarily wrong but...

The Chairman: Let me just trespass on your questioning, Senator.

Senator Smith: Please go right ahead.

The Chairman: The thing that concerns me—doesn't concern me, that's hardly the word, but isn't your position somewhat ambivalent. It seems to me in the present format of that noon hour C.B.C. program and the format of "Country Calendar" on television—isn't the C.B.C. doing the very thing that you wanted it to do?

Mr. Forbes: It is doing the thing we want it to do in one respect. On the other hand, as far as portraying a better image of the rural community to the urban segment—as far as this is concerned, they are doing a better job in this. On the other hand, the farm information section is going wanting and we think there is room for both of these.

Mr. Henderson: If I may add to that. The brief quite well documents the experience of the C.B.C. people in the Prairies and the C.B.C. people in Ontario in co-operation with the Department of Agriculture and also in the Atlantic provinces doing specific kinds of informational programs for farmers. Some of them where farmers actually registered—the study lessons were sent out and the documentation in the brief clearly demonstrates how successful this was in reaching a tremendous number of people who never get into the agricultural representatives' offices. Now, Mr. Forbes is one of these people. He knows that half the time the kind of information that he knows isn't perhaps getting to the right people but the mass media can help him do his job and hence it is important in this extension process.

Senator Smith: I am sure you people have been much more aware than myself or any of us or the general public and perhaps much more aware of the situation with regard to the farm press than those who should have been more concerned with it. I am sure you have known for quite a while about this three thousand survey which indicated that the farm press was number one on the list of sources of vital farm information and I am sure you also know about the various surveys which have been made with regard to *La Ferme*, the French language farm newspaper and the *Free Press Weekly*, both of which surveys indicated that seventy per cent of the readers in the Prairies of the *Free Press Weekly* and the same percentage of readers of *La Ferme* get no other newspapers. They do not get a daily newspaper I should say so what is left? You are telling us that radio and television are weakening and there is nothing left but the farm press. Our problem, of course, is to dig at this thing and see how we can strengthen it and you have made some suggestions which, of course, are worthwhile. Would you like to say anything more on that theme?

Mr. Forbes: I don't think so. I think that you summarized our point very well.

Senator Smith: I almost made a major speech.

Mr. Forbes: There are members of the farm press here who I am sure support your summary.

Senator Smith: I was particularly taken with your suggestion which you mentioned here this morning again that the editorial

strength on the daily newspapers should be beefed up and the main reason back of that is to inform the urban areas to what is going on in the country to establish better relations. Is that your point of view?

Mr. Forbes: I am afraid that unless urban people gain a better understanding of what rural life is all about that rural Canada is going to become a social desert. This concerns me immensely. One of the items that is mentioned in the brief is the fact that out of nineteen thousand graduates from the University of Manitoba who have remained in the province, fourteen thousand five hundred or so are in greater Winnipeg, where half of the population is, leaving only four thousand to service the other half of the population. I am sure that you would agree that you don't have to be an educated person to offer the kind of leadership which is needed in the rural areas or any other areas. However, it helps and it disturbs me and it disturbs us that a disproportionately large number of graduates from our university are going to the urban centre and leaving the rural community without any kind of leadership which they need so badly. This is, of course, at the present time when they are going through this upheaval.

Senator Smith: Do you think this lack of understanding on the part of urban dwellers also includes some older members and some of the younger generation who started out to be farm dwellers but who have moved into the city and have lost their interest on what goes on in the farming community?

Mr. Forbes: I don't think this is quite so. The thing which concerns us the most is the fact that people who come in from the rural areas, whether they be male or female, meet the people of the opposite sex, they get married and through a lack of understanding of the virtues of life in the rural community, the urban partner does not wish to move out. Therefore, there is a tendency to centre in the urban centres. Just last week I had occasion to discuss this matter with a couple of people who had moved out and they confirmed that they had no real understanding of what urban life was all about until they got out there. The portrayal of the urban community to them through the mass media was not honest.

The Chairman: Well, I am sure, Mr. Forbes—surely this problem is much broader than relates to images portrayed by the media?

Mr. Forbes: I agree but I wouldn't think it was only the preponderance of economic opportunity. I think that the image is also part of it. I am not going to detract from the importance of the economic opportunity which accrues to the urban centres but a part of this is also true.

The Chairman: What you said is interesting to me. My knowledge of rural Canada is confined almost exclusively—it is very limited and it is confined almost exclusively to parts of southern and western Ontario. I was under the impression that in that part of the country at least the farm population if anything is becoming more sophisticated.

Mr. Forbes: Yes, I agree with you, but I think that is a pretty small geographic area. I think, and Mr. Henderson is in a better position to comment on this—certainly the conditions which prevail in western Canada are different than this and I don't know, Senator Smith, about Nova Scotia, but I would imagine the same thing would exist.

Senator Smith: Yes, I don't think that Nova Scotia presents a typical cross-section of farming communities and you know the situation just as well as I do. It has struck me that a boy or a girl brought up in a rural community must maintain an awful lot of the love of the soil and an interest in farming problems and I am rather surprised that there isn't enough interest on the part of daily newspapers in the city to cater to that kind of audience. It seems to me that I am bumping into people all the time whose origin is in the country and they still love to pitch hay when they go home on the week-ends and on their vacations and this type of thing.

The Chairman: Well, perhaps Mr. Henderson would like to comment on that.

Mr. Henderson: Perhaps this is part of the problem. The Agricultural Institute of Canada recognizes that the daily newspapers are doing a better job in the last few years in trying to portray life in rural Canada, but it strikes us that too frequently the kind of story that gets into the daily farm press is of the type of farm operations of someone who is really a corporate businessman, who is a week-end farmer. Too often we think that the kind of articles that appear—that are newsworthy obviously are of the emotional ties with the land; that urbanites have a farm and live out on the farm and this is fine. But we would like to see that daily newspapers

recognize that there are two different segments of agriculture. There is a non-viable kind which is in trouble and there is another section of agriculture which is commercial, ongoing, good leadership business management and we would like to see stories about the agricultural business as a business in the business pages because this is where we think it belongs. Our organization has prepared the document with a yellow cover which has been distributed and which enunciates some of the policies that we think the government ought to follow in respect to this sort of thing. We would hope that through these kind of policies—that there would become a difference between what is a commercial farm and what is sort of a week-end farm. We think that in the business pages of the major daily newspapers in Canada, the importance, the context, the managerial, capital management, manpower, technical, scientific should be reflected. There is no point for a youngster coming from rural Canada with emotional ties to the land thinking about being a farmer if he hasn't got anywhere to get one hundred thousand dollars. That is what it costs these days to set up a farm. Then you have all the educational and scientific background to back him up in making an economic enterprise out of it. This is to enunciate—perhaps not enunciate, but clarify a little bit further on what you said.

The Chairman: Mr. Bradley, would you like to comment?

Mr. Keith Bradley, Agricultural Institute of Canada: I would like to respond to Senator Smith. It is true that a great number of urban people do have rural roots. It has been so in the past. Look at the changes in population and the degree of urbanization—For instance, since 1951, something like four hundred and ten thousand farms no longer are in existence. The young people of our generation had parents who came from the farm, their grandfathers hoed farms—and this doesn't exist now. It will become even less and less as time goes on so I think in the future there is a responsibility of the press to make aware the rural situation of these people. We can look at it quickly in terms of conservation and in terms of environmental control which has known very, very many vistas. I think our press does have a responsibility to look at this perhaps more seriously or in greater depth.

The Chairman: Mr. Bradley, where are you from?

Mr. Bradley: I am from the eastern township of Quebec.

The Chairman: Are you farming presently?

Mr. Bradley: No, I am not.

The Chairman: Well, I am just not clear on what your role is?

Mr. Bradley: Well, I am with the Department of Regional Economic Expansion at the moment but I have spent about fifteen years in field work and extension work resource development.

The Chairman: I couldn't help reflect on the fact that all you three fellows live in the city?

Mr. Forbes: Well, I think, Senator Davey, you would agree that Brandon, although termed a city, is really rurally oriented and very close to the country.

The Chairman: Well, I think Brandon is becoming more and more citified, would you agree?

Mr. Forbes: Yes, but I hope we will provide more and more opportunities for farm people to be...

The Chairman: Well, I wasn't being snide, but I think you fellows are part and parcel of this?

Mr. Forbes: We all are.

Mr. Henderson: May I respond to this?

The Chairman: Certainly.

Mr. Henderson: My great, great grandfather chose an area in eighteen forty-six which had tremendous potential in terms of potash which was the only cash crop they had. Unfortunately in 1960 it didn't turn out to be a viable economic enterprise so my choice was either to remain on the hill or do something else which, of course, I decided to do.

Senator Macdonald: Mr. Chairman, isn't the general economic trend away from the rural areas into the cities. That is a fact of economic life all through Canada. What is the point of the news media trying to report it. They can't change that. What is the point in them trying to change that trend? The people are going to the cities because they can get a better living there.

Mr. Forbes: I hope that we can very briefly identify the difference between the rural community and the farm. We are talking

about the centres of service, if you like. We want better people more educated people and more people in the centres of service. The people who service agriculture, the people who make the rural community, they need them. We are not suggesting that we have a back to the farm movement, but we are suggesting that we can't afford in our opinion the social cost of larger and larger urban centres and social deserts as far as the rural areas are concerned. We have to have more meaningful centres of service and in these centres of service we have to have educational leadership in the form of chartered accountants, lawyers, doctors and so on and so forth. These people we are having difficulty in obtaining at the present time. If we don't get more educated leadership in the rural areas then the deluding of these areas in a social sense is going to be aggravated. This is our concern. It is not a back to the farm movement, Senator Macdonald, but it is a retention of a viable rural community to which the farm people can properly relate.

Senator Macdonald: Don't you think you have to retain your farm population to have such a community?

Mr. Forbes: Not if the people as they are doing very quickly, particularly in Saskatchewan and Alberta—if the people relate to a different rural centre than they used to do. We can still have viable rural centres with a decrease in the farm population in order to retain all of the centres of service at the present time. Yes, we have to maintain the farm population, but by relating to different centres of service—different community centres then we can have this meaningful existence.

The Chairman: I think, Mr. Forbes, Mr. Henderson would like to comment on this.

Mr. Henderson: I would just like to say that we feel and have enunciated as an organization in this yellow leaflet our policy with respect to passing judgment as to what is a commercial farm and what is not one as a result of people. We have, in effect, said in our brief that we don't think that the status quo should be maintained. Indeed, we believe there is a reason to think that it perhaps could be accelerated but there must be meaningful programs so that this adjustment could take place with a minimum of hardship for the people concerned. Some of the policies and programs are enunciated in the literature provided as a supplement to our brief. This,

in our judgment, has not been adequately provided.

The Chairman: Senator Smith?

Senator Smith: Mr. Chairman, still on the same general area—the exchange of information and communication between the various groups in the country, I have a question which perhaps might be an important one to get the answer to. What do you people think might be the role of the newly set up Information Canada to play in providing a better communication link between these groups we have been talking about?

Mr. Forbes: I am not as familiar with Information Canada as I would like to be.

Mr. Henderson: At this point I am not completely familiar with the details of how it is to be conducted but I think it would be most unfortunate if Information Canada was set up whereby it prevented or in any way stopped or curtailed the flow of—not political information but scientific technical and policy information to the farmers who are directly concerned.

Now, I do not know what safeguards have been built into Information Canada to maintain the information divisions of departments, such as the Department of Agriculture at the federal level which has, as you know, a very strong research organization. I would express the hope that it does not interfere with the ongoing of that activity. However, I recognize that there are very many inter-departmental responsibilities that perhaps could come under Information Canada. Our organization would plead that the flow of scientific and technical information from the federal and provincial Department of Agriculture be increased and improved in quality.

Senator Smith: Well, Mr. Chairman, I would judge that the purpose behind the proposal, which is just now being decided as there is not even a head of it now, is to improve the flow of scientific information. I am sure you must have read some of the background which led up to the formation of Information Canada. The task force was very critical of government information services in general.

Mr. Forbes: With the exception of agriculture.

Senator Smith: With the exception of agriculture and that might very well be. I

know I am aware of the serious criticism on the part of fishermen with regard to the literature and information that comes out from the fisheries department. They have been trying for years to make themselves a more vital, a more valid source of information for fishermen. Although the task force wasn't critical, I wouldn't be surprised if there were lots of room for improvement in the flow of information dealing with agricultural matters. Don't you believe that that is so?

Mr. Forbes: It is quite possible but I wouldn't wish to say at this point categorically that it is bad. I think everything can be improved. I think we should wait and see and perhaps this is a responsibility of our organization to examine the adequacy of the flow as a professional organization.

Senator Smith: I would also hope in view of this new Information Canada that you have something to say to those people when they get underway and get organized as to how they should deal with the agricultural community. We can't get very far in this, but I was interested in your comments and they were really quite interesting.

Senator McElman: Mr. Forbes, what is your opinion of the newsletter as currently distributed—I believe weekly isn't it by the federal Department of Agriculture. Does it serve a real purpose?

Mr. Forbes: There are two different farm news letters, if you wish, that come out. One is the *Farm News Letter* which is truly a letter kind of thing and the other is *News*. This is very difficult to comment on because for four weeks or so we will get something that is really relevant to the western communities and conditions—I am sorry, I am provincial on this—and then you might go for six weeks and there is nothing really applicable. Some of this is directed at the farm press, and some of it is too technical, but I would hesitate to be overly critical of it because at the same time there are a lot of subjects and a lot of information which are appropriate, timely and definitely applicable as far as the farm situation is concerned.

Senator McElman: How widely is it distributed in the farm community?

Mr. Forbes: I am sorry, sir, I really don't know.

Senator McElman: In view of your comment, would you suggest perhaps it should be

procured on a regional basis for the prairies or the Ontario, Quebec areas and for the Atlantic provinces?

Mr. Forbes: I think this would be worth examination from the point of economics of sorting it out. Sometimes information which could be deemed advisable for the eastern region provides a stimulus for an idea which may be picked up for the western region; I would hesitate to be too exacting on the regional selection of the material.

Mr. Henderson: Well, as perhaps most Senators know, the federal department is involved in a federal task force study of agriculture. We of the Institute hope that through this exercise that has been going on now for some two or three years, will come some fairly clear distinctions between what are federal and what are provincial responsibilities. Until we sort it out as to whether or not a federal extension service such as you have been talking about, Senator McElman, is, in fact, a federal responsibility or a provincial responsibility—we run into this jurisdictionally problem. It is one we, in the Agricultural Institute, hope will be dealt with in this federal task force report which I understand is to be published relatively soon. Through this exercise perhaps we will be able to sort out the kind of problems that you foresee. There are federal policies which cut across provincial boundaries with perhaps regional adaptations, but there are separate and different policies for each provincial Department of Agriculture. Now, fortunately for the agricultural industry we have an organization called the Canadian Agricultural Services Co-ordinating Committee, which is a federal body that attempts to co-operate and tends to co-ordinate all the services, research service extensions and all the services that are required. Over the last few years the provinces have also been setting up these co-ordinating agencies. This organization has done a job to try and sort out some of these things, but it seems to me that something further than this has to be done in terms of what we hope will come out in the federal government's task force report on agriculture.

Senator McElman: If I could put another question as a supplementary on another subject.

The Chairman: Senator McElman, yes?

Senator McElman: Mr. Henderson, you commented a few minutes ago that a young man who was interested in farming would

need one hundred thousand dollars. What type of farm were you thinking of? A so-called commercial farm or the ongoing family farm?

Mr. Henderson: Well, first of all, let me say what I think a family farm is. Basically it is owner-operated with perhaps some hired help where the owner actually is the manager. You need one hundred thousand dollars to set up a viable unit in the Prairies for a grain farm. You need a comparable amount of money anywhere in Canada to set up a viable hog farm. You need perhaps considerably more amounts of money to set up a viable poultry enterprise. You are from New Brunswick?

Senator McElman: Yes.

Mr. Henderson: Well, you know the kind of money that would be required to set up a viable blueberry picking operation and Senator Smith from Nova Scotia would know the kind of money that is involved in the Annapolis Valley in setting up a apple producing venture.

Senator McElman: You are referring then to any kind of specialized farming, is that correct?

Mr. Henderson: Farms now have become more specialized.

Senator McElman: Agreed.

Mr. Henderson: When you talk about one hundred thousand dollars, this is a realistic and conservative estimate of the amount of money that is required to set up an economically viable one. It is not only money—it is technical, scientific and managerial know-how. One of the components other than communication through the universities, through the schools of agriculture are the supplementary services and ongoing things like the farm press.

Senator McElman: The reason I asked is that it struck me as rather high. I was just wondering what type of farm you meant in the one hundred thousand dollar bracket.

Senator Smith: I just want to turn for a very short time to some kind of discussion on what the future of communications might be in view of the rather important, even at this date, advances that have been made in technology. I seem to have been convinced a long time ago that television was the medium. It is the medium of the future as well as the medium of the day. Advertisers rush to that

medium when they want to get a message implanted in children. As a means of information it is also a good medium of today. Therefore, it is perhaps a tragic kind of thing that television hasn't been able to keep up in playing its part in disseminating information as well as the farm news into far communities.

The Chairman: Mr. Forbes?

Mr. Forbes: Well, I wish I could comment intelligently upon this question. We have done a considerable amount of crystal ball gazing with respect to the future of communications as they apply to the farm. As mentioned in the brief we can only see the media of television going downhill as a source of farm information because of the high cost that is involved in televising and the fact that it is commercially oriented and, therefore, must beam messages at the greatest population. We have not made any comments here about any kind of technological developments, but perhaps we might be able to computerize a great deal more of the farm information and develop computerized banks which could be called on to develop techniques which might be in the offing. Individual farmers who would thereby be able to come by specific information that would suit their individual needs.

I have no idea, Senator, how far this is away—I am not even sure whether this is practical or not but it is something which could be given some thought. Perhaps this will be the direction we will have to go and, therefore, the urban segment of the population will not be saddled with having to carry the cost of something which is beamed upon the farm community. I am sorry, Senator, but my imagination isn't any greater than that.

The Chairman: Mr. Henderson?

Mr. Henderson: I would like to comment to this effect. I think that there are farmers who are sufficiently interested in staying viable, becoming better off and having more profitable enterprises and others who are at a stage where they want to improve themselves that, I should think, with the number of people we are talking about and the social disruption that is involved that surely we should be able to afford, in an affluent country like Canada, some means whereby at off-hours farmers could receive through television scientific, technological and managerial kinds of information. I am very sure for example my four brothers who farm at Swan River, Manitoba,

need this active scientific, technical, managerial kind of information. If we could have this on at a particular time of the day when it isn't interfering with the great masses of urban audiences, who would be normally listening in at that time, I think we could perhaps make television work as an instructional tool.

The Chairman: Do you agree, Mr. Henderson, that technology is going to make that entirely possible soon?

Mr. Henderson: That technology will make this possible?

The Chairman: That kind of program possible.

Mr. Henderson: Yes. The technology is known now and the scientific evidence of its success has been documented in the brief. But is the public prepared to pay for it?

The Chairman: Well, that is a very good question, but back to the question of television programming presently directed at urban audiences, my study of the television situation leads me to believe that the advances are just as high in urban Canada as they are in the rural districts. In other words, there are just as many people out on the farm that watch the hockey games on Saturday night as there are in the city and the television ratings bear that out. Would you care to comment on that?

Mr. Forbes: Well, I would have to agree that because of television more rural people are becoming more urban-oriented in their thinking which is a good thing.

The Chairman: But surely you are not urban-oriented just because you like to watch a hockey game?

Mr. Forbes: No, but what I mean to say is how life is in the city is reflected to the rural audiences through mass media but why should it not be possible, for example, for the C.B.C. national news to have as part of that news team an agricultural reporter?

The Chairman: Well, I was going to ask you on that question—I am sorry, Senator Smith, it is your question.

Senator Smith: It is all right, Mr. Chairman.

The Chairman: Now, I just wanted to know how many major dailies have agricultural editors? You made a reference to the fact that more should, so do you know how many do?

Mr. Forbes: I can't tell you off the top of my head but I am sure we could get that information.

The Chairman: Well, we would appreciate it, if you would.

Senator Smith: Mr. Chairman, I just have another question on these media which are apparently not being used to direct information and news to the farmers. We had an interesting brief from the Minister of Communications one day last week and I was interested in some of the things he had to say. He was talking to some knowledgeable people in his own department—and the man has some imagination and capabilities in a great many fields, as criticized as he may be by a great many people. Among some of the things that he told us—for example, and I am quoting him:

"The television programs aimed at specific groups rather than the general public represent the wave of the future."

And then, a little further on in his brief he goes on to explain how this may be done. Now, I will quote him again.

"The list of what is happening and what will happen is almost endless. Coaxial cables which can provide twenty, forty, sixty, or even eighty separate channels will enable television for the first time to appeal to specific minority audiences rather than to mass demands."

He goes on to mention the computerization which I think was mentioned by Mr. Henderson a little while ago. In our background material we got some information on something even more amazing than this. This isn't ready to come tomorrow but we were told by someone who made a special study for us that upwards of one thousand channels will soon be technologically possible through the use of laser beams in cables. There is no end to the possibilities in this thing. When we arrive—and I am sure we are going to arrive at that stage some day, some of us may not live to see it completely developed—who should be running the show then? For instance, if farmers are interested in certain kinds of programming and whatever, should they insist that the farm press co-operative movement supply that program with a combination of broadcasters public and private or do you have any ideas on that which you would like to get on the record early?

Mr. Forbes: Well, I would sure like to give this matter some thought and let you have an

opinion on it. However, right off the top of my head, I would suggest that it should be directed by somebody who is fully familiar with the farm community and perhaps in co-operation with farm organizations, either commercial or social; that we shouldn't leave this to any particular segment of agricultural industry. I would think the whole industry should be involved and perhaps Mr. Henderson because of his former association with farm broadcast may want to make some comment on this.

Mr. Henderson: Well, I would just like to say that it is possible, if farming can be sufficiently profitable, to see the day when scientific and technological information is hooked up between a university in a province and individual farmers, so that we would get the print out every day of the news of hog producers, for example. He would get the print out in his farm office from the university about maybe new rations or maybe a crop breeding program, or maybe a new cost of feed or some method of scientific advance. But this won't happen unless agriculture is viable and economic. Yes, I think it is technologically possible to have all these different channels which could be beamed to a farm audience.

Here again, you are tying that farmer down to a particular time of day. Keep in mind that he is an owner, operator and doing a lot of the work himself. He has a wife and family but I must say there is that possibility. I would like to suggest with my farm background and my brothers who live and farm extensively are very, very busy people. Not only do they have the farm to operate but they are community leaders and they are run off their feet. It is pretty nice when they do get the time, after church on Sunday afternoon, to sit down and, at their convenience, read the farm newspaper with specific information about their operation.

The Chairman: You are suggesting that television can't do this?

Mr. Henderson: I am suggesting that television has a role, yes, but there still is an important role for the farm press.

The Chairman: Well, I don't think we are suggesting that there isn't but I think some of the Senators, and I must include myself, are very impressed with the impact of technology, which, for all intents and purposes, is here now. That perhaps prompts Senator Smith's question. Senator Macdonald, did you have a question?

Senator Macdonald: Well, to get back to this farm press thing. Your recommendation number eight, you say:

"In times of financial stress in the agricultural industry, we recommend that government departments and agencies embark on a 'paid space' program in selected agricultural publications for their releases."

In other words, you are asking for an indirect subsidy for these publications?

Mr. Forbes: That is an interpretation of it, yes, Senator. You will note that we are suggesting selected agricultural publications because it could be quite easily mis-interpreted and some people who have a small arm circulation might want to get in on the releases. We are suggesting that some criteria have to be established whereby a certain portion of the total circulation would have to be arm circulation in order to qualify.

Senator Macdonald: And in number ten you are asking for lower postal rates. When the Minister was here he suggested that the Post Office Department should not be asked to subsidize any of these privileges, as it were. He mentioned that each classification would be able to bear its own weight and that if the government wanted to make a subsidy they should make a subsidy to the Post Office Department and his department wouldn't have to be made to carry a subsidy for carrying second and third class mail. What do you think about that?

Mr. Forbes: Perhaps I shouldn't comment on this, Mr. Chairman.

The Chairman: You realize that anything you say is privileged?

Mr. Forbes: I would say that if the government of Canada is making the most use of the taxpayer's dollar, it shouldn't matter whether it comes out of the Post Office Department or the Department of Agriculture. We do it in the most efficient manner in order to get the best results. I would say that perhaps in the case of the farm press we have a little bit different case than we have in some of the other kinds of news information. The welfare of the farmer is directly hinged on the kind of information and the amount of information and type of information which he obtains.

Therefore, the economics of the whole agricultural industry, you may say, is to some

extent dependent on a viable farm press. You are going to come by general revenues by virtue of a more reliable agriculture so it becomes a contribution to the economy rather than something that is going to detract from the economy. I repeat they should do this thing in the most efficient manner and whether it is the Post Office Department or the Department of Agriculture, I don't think it matters.

The Chairman: Well, is the most efficient method a direct subsidy of the farm press?

Mr. Forbes: Of the farm press?

The Chairman: Yes.

Mr. Forbes: I would think that he who pays the piper calls the tune and I would be afraid of a direct subsidy. I would rather see it the other way where it would be identified that these specific releases were from the Department of Agriculture or some other public agency and, therefore, leave the press free to make editorial comment and put their interpretation on the other kind of news items.

Senator McElman: Aren't you, in fact, asking for a subsidy on page four, item number eight?

The Chairman: That was Senator Macdonald's question, I think.

Senator McElman: Aren't you really doing that?

The Chairman: Well, Senator Macdonald referred to it is an indirect subsidy.

Senator McElman: Well, I don't think it is very indirect. Are you not actually asking for a tremendous precedent to be set—well, perhaps almost indirect somewhere in between.

The Chairman: Well, it isn't a tremendous precedent because it was just put forward last week by the ethnic press.

Senator McElman: This is my point. Where does it end?

Mr. Henderson: I would just like to say that it seems to us that in the implementation of a suggestion of this type, we should try and define agriculture as Mr. Forbes has suggested. A weekly paper which is distributed seventy per cent to the people in the town and thirty per cent out in the country isn't really—even though it is in a rural community—a farm publication. Upon investigation cer-

tainly we could determine what is a farm publication in the truest sense. This is an administrative matter which could be taken care of.

The other point is this. If agriculture is going to advance, it is going to advance on the basis of good managerial, scientific competency. If the Department of Agriculture and the universities and colleges across Canada want to get this message across to the rural community, at the moment they use press releases. The editors are deluged with great bundles of this material, a percentage of which they cannot use. If there were safeguards built into the system so that it was made quite clear that the kind of material that was included in the advertisement was not political information, but designed to get across technical, scientific and programmed information, I feel certain that this would in its totality be much better than any direct subsidy to the farm press which would destroy the editorial freedom of the editor. This would be a despicable thing.

Senator Macdonald: Don't you do the same thing with the indirect subsidy?

Mr. Forbes: I don't think so. I don't think you do this. With the kind of subsidy that we are suggesting—I even hate to call it a subsidy—I would think that with paid government scientific releases that this should have no more effect upon the policies of the press than an advertisement from another commercial organization.

The Chairman: Well, let us just take a hypothetical case. Let us say that I am a Minister of a particular department and we give your paper a good deal of space and all of a sudden you write a particularly critical editorial about me. All I have to do is 'phone my Deputy Minister and take that paper off the list. You are going to know that so, therefore, are you going to write those kinds of editorials?

Mr. Forbes: I would hope that that would be particularly, Senator, a hypothetical question. It is a practical one.

The Chairman: In other words, the point we are trying to make, if I discern what the Senators are saying is that they agree with you on the question of the problem, but I think Senator Macdonald and Senator McElman are saying that a subsidy is a subsidy is a subsidy. You don't agree with that apparently?

Mr. Forbes: I don't agree with that, Senator. I would hope we would be able to establish—perhaps it is beyond hope, but you could establish the kind of relationship that would allow the scientific releases to be made and paid for without having any bearing on the editorial policy of a paper or any reaction to the editorial suggestion of the paper.

The Chairman: But you also say in item eight here—you preface your suggestion by saying:

"In times of financial stress in the agricultural industry".

Is that a proper use of advertising?

Mr. Forbes: I am sorry. Could you expand on that.

The Chairman: Well, is it a function of advertising to subsidize any medium in terms of sustaining its existence, if you will?

Mr. Henderson: If I may comment?

The Chairman: Please.

Mr. Henderson: I don't think there is any real difference between a chemical company, for example, advertising a product and the farm press accepting that advertisement that it is accepting paid space from a provincial or federal Department of Agriculture talking about the assistance policies or the technical or scientific information that is available within their departments.

The Chairman: Well, the chemical company would not have to place that advertisement in times of financial stress to subsidize the farm press. I agree that normally this would not be the case, I agree.

Mr. Forbes: I wonder if I might attempt to put this in its proper perspective.

The Chairman: Yes, please do.

Mr. Forbes: In times of financial stress there is not going to be the same degree of advertising by fertilizer companies or chemical companies for all of these farm input industries. This is when some additional sources of funds are necessary. You suggested, I think, Senator, that perhaps it wasn't right for the chemical industry at any time to subsidize the farm press. We have at the present time some farm press who live on the basis of advertising and charge nothing for the subscriptions.

The Chairman: No, the point I am making, Mr. Forbes—I don't want to spin it out endlessly. As far as the advertiser is concerned, this is advertising. They are not placing that advertising simply to keep the papers going.

Mr. Forbes: Yes, I agree.

Mr. Henderson: Well, let us say, for example, in western Canada right now where wheat fails, well, that is not even news any more.

Senator Sparrow: Yes, it is, it is bad news!

Mr. Henderson: There is a place for perhaps a new approach to Prairie agriculture. Now, what sort of policies are there? What sort of programs are there that either provincial or federal governments may offer to help the people in this time of financial stress of the industry to make adjustments so that they will get into Reg. Forbes' office—an ag. rep.—to get the details and to get the time to sign on the dotted line to help him out. This is a means of reaching the farmer in a palatable form.

Senator Macdonald: Wouldn't it be a better policy to advocate where these are necessary, like this governmental information that they pay for them in any event in advertising. If the farm paper makes some money off them o.k., good for them. Just don't put it in times of financial stress because they should pay for their advertising like any other advertiser.

The Chairman: Would you care to comment on that?

Senator Macdonald: And no one could say that you were trying to influence the advertising policy or editorial policy, or anything else.

Mr. Forbes: Well, we are perhaps small "c" conservative in your view.

Senator Macdonald: Well, I don't even have any objections to you being large "C" Conservative.

Mr. Forbes: We do think that if this became a blanket policy that it could become quite costly to the taxpayer. I think as professional people, and our group represents professional people, we are very conscious of our code of ethics—that we are not out to gouge the public. We are conscious of our code of ethics in terms of how far you can go and this is why we said "in times of financial stress."

I do not think it would be advisable to have this blanket policy at all.

The Chairman: Senator Sparrow?

Senator Sparrow: Have you any idea of what amount of money you are talking about? We have federal grants now in times of stress but could you put a figure on it? While you are thinking about that, it seems to me that what you are talking about—times of stress—times of stress in the agricultural industry can come very quickly, creating a surplus situation or a drought situation, and so on. I have not known a federal Government or provincial Government for that matter to act that quickly where you could get the insertion of funds which may be necessary that quickly. Now, it is very easy for a farm publication to go broke rather rapidly in a short period of time. Have you any idea, really, of the amount of money that you are talking about?

Mr. Forbes: I am sorry, I don't.

Mr. Henderson: I don't have any idea at all. However, we are probably talking in the area of one-half million dollars.

The Chairman: I hate to interrupt, but I would like to point out to the senators that we do have a second brief to receive this morning. It is now 11.25 and although I don't want to terminate the discussion I might ask the senators if you might conclude your questioning shortly. Senator Sparrow appears to be the only one who has a question. Would you like to take it now?

Senator Sparrow: Yes, Mr. Chairman. The farms as such are 430,000. Commercial farms are approximately 230,000. To get that figure of 230,000 it means farms with incomes of over \$2,500 per year.

To have what you might call an economic farm production today, you have to have over \$20,000 or make \$20,000 per farm. That means that in considering any number of vulnerable farm units, we are probably in the neighbourhood of 145,000 to 150,000 farms. That means in fact that the media as such is going to serve 150,000 units. Now, I can't see the mass media as such looking after that limited number of people through the medium of television or radio. This means that there must be some protection for the printed word as such to cover this fact. It may mean that a direct subsidy may have to go direct to farm publication on a broad base, on the basis of

each subscriber. That a legitimate farmer—with a commercial farm unit would have to keep this viable and if it is not viable then the farm press or the vertical magazine with its broad scope is not going to be able to handle it.

Now, I appreciate that you are not the people who should perhaps answer this question because this is really ranging in a broad field, but would you care to comment on that? Again, I just want to say that I appreciate what you were saying earlier about the Government freeloading. They used the word "freeloading" on the press—giving press releases and agricultural news releases and expecting the farm press to print that news release without being paid.

Mr. Bradley: I think that is right, Senator Sparrow. I might just respond to this as an extension worker and say that we have two distinct groups as far as the population is concerned. We have the commercial farmer with a gross income of at least \$8,000—this is the dairyman who produces in the neighbourhood of 200,000 pounds of milk or closer to a half million pounds of milk per year per man. He is going to have the kind of organization to give him the kind of life that in a sense he wants. We look at the dissemination of information and in terms of the full picture of extension, the farm press is one. We mentioned TV as another and radio, and the whole of technological advances in video tape. The tools we have to reach the people are fantastic if we have enough money to employ these tools. The commercial farmer will require a specified kind of information. We also have the others who, shall we say, are on the brink. They may be part time farmers, they may have other incomes and certainly their units are not economical and it seems that there is a responsibility on the part of the press and of the Government to acquaint these people with the adjustment programs that are available to them now.

If we are going to encourage the movement of people away from the farms, if we are going to be realistic in terms of what agriculture has to offer the people I think we have to be realistic in what we do to people who cannot survive on the farms as we know it and our grandfathers knew it. I think this is another whole world for the farm press. I think this is another role that the farm press has to play. I think we have to separate the viable agricultural operations from the differ-

ent agricultural operations that are almost welfare programs, the farmer who is subsidized. I think the farm press publications in general have a valuable role to play here.

The Chairman: Senator McElman?

Senator McElman: I would like to get back to this analogy that was used about chemical firms and machinery production firms, and so on. I would like to relate that to government ads and their releases. Is there not a basic difference between the two. One is selling something and the other is giving a service which is paid for by the public. Was it not a bad analogy?

Mr. Henderson: First of all, Senator, I think we have to differentiate between what we are doing here. An extension department of a government or a program of a federal Department of Agriculture—how these things relate to a program. A company has a product that has to be sold that follows up the selling of an idea to the person who uses it in the first place. I think they would go hand in hand. There is no point in me, an ag. rep. going out to a farm in Calgary and talking to him about the advantages of using a new chemical if this somehow or other isn't tied up with his product. Now, in our profession we bring together the people who are in the agricultural business with the people who are in farm communications, and science, et cetera, and tie them together because we do have a profitable team here. I believe we have to differentiate between what we mean when we say a press release. The kind of press release that we have in mind, as an institute, is the kind of press release that talks about the availability of programs, the new scientific and technological and managerial innovations with which farmers may participate and this is the kind of thing we mean.

For example, the Canadian Department of Agriculture—I don't really want to make an announcement here—but it is a known fact that shortly they will be introducing a computerized farm management system. This has been in existence—co-ordinated from the University of Guelph or somewhere else and it has been available in the province of Quebec as well co-ordinated from Macdonald College. However, there is reason to believe that this should be national in nature. Shouldn't the federal Department of Agriculture—if indeed it has the jurisdictional responsibility for this paid space—tell farm-

ers in the designated farm publication as identified by a measuring stick that we would be prepared to have this program, it is available, and that they could participate in it. I believe it comes to a farmer in a package that he identifies with and has identified with for years.

The farmer, who like the rest of us urbanites, gets piles of mail that is completely unrelated and you have to sift through the stuff and it is time-consuming; however, if this was in a package, I think there is greater assurance that he will pick it up other than just having scattered bits of unco-ordinated material or information that the farmer objects to at the present time.

The Chairman: Senator McElman?

Senator McElman: The witnesses have suggested that the farm publications are necessary and that the farmers depend very heavily on them for new information, et cetera. If you relate this to the fact that farm publications are so essential in providing this kind of service which they aren't doing, are you doing the right job wrongly or just doing the wrong job?

Mr. Forbes: I would say it is a question of economics for one thing. I suppose the farm press which has gone under just recently had the greatest circulation and I believe the *Family Herald* which I understand was owned by one of the other newspapers from Montreal—they determined this segment of their business was just no longer possible because there wasn't sufficient advertising or the reporters were costing them too much money, or something in this nature. I simply say that these publications went out just because of the economics of it. Was it serving a purpose? Yes, I believe it was serving a purpose. However, I would venture to guess that the majority of income gained accrued through the advertising and not through subscriptions. As far as I know it was a straight kind of economic thing because as the general level of the agricultural economy goes down, there isn't enough revenue, there isn't enough advertising to support such a publication. When we say "times of financial stress"—it is a time when we have an ever-greater and ever-increasing need for more applicable and more practical information and this is the very thing we need.

Senator McElman: But surely, sir, if the farm press is providing that type of information, the essential information that you speak

of, then surely the advertisers of these types of products—the chemical firm and the machinery firm would be very much interested in reaching the market that you speak of?

Mr. Forbes: Well, you are absolutely right except that this year—pardon me for using western Canada again as an example—we feel that this year there is going to be enough of a drop in fertilizer use and last year you may be aware that there was another drop—I believe it was 29 per cent although I could be off on that. As the fertilizer use dropped off, the advertising dropped off.

Senator McElman: Shouldn't it be going up to sell more?

Mr. Forbes: Well, no because there is no incentive for producing more wheat right now and therefore they don't use fertilizers. You know, Senator, it is the chicken and the egg situation—which does come first?

Senator McElman: That leads me to comment, Mr. Chairman, that I was reading in the paper this morning that the Honourable Otto Lang suggested that a lot of the land in the west will not be put into production next year. I was wondering if that had to be carried as a paid ad to reach the people?

Mr. Forbes: It would get there quite quickly, quite easily.

Senator McElman: I would think so.

The Chairman: Senator McElman, your facetious observation leads me to make another one. We have Senator Sparrow from Saskatchewan, Senator Smith from Nova Scotia, Senator Petten from Newfoundland and Senator McElman from New Brunswick and Senators Langlois and Beaubien are from Quebec, and I also note that we have Senator Macdonald listed as coming from Cape Breton.

Well, gentlemen, we don't have to tell you, I am sure, that the whole problem of communication is enormously complicated, a complex situation and one which intrigues us, particularly as the farm papers play a vital role in the overall structure of the mass media. I would only add that the documents that you prepared will be a useful addition to those we already have and which we will be studying at length.

I would like to thank each one of you. Thank you Mr. Forbes and perhaps through you I could thank Mr. Bradley and Mr. Henderson.

Mr. Forbes: Well, Senator, I wish to thank the Committee for the opportunity which the Agricultural Institute had for making our thoughts known to you and I assure you, sir, that the Institute stands ready to participate in any further measures which you may deem necessary.

Thank you very much.

Short Recess

BRIEF PRESENTED
BY THE FREE PRESS WEEKLY
TO THE
SPECIAL SENATE COMMITTEE
ON MASS MEDIA

The Chairman: Honourable Senators, I wonder if I might call the meeting to order, please. The second brief which we are to receive this morning is the brief from the *Free Press Weekly* and sitting on my immediate right is Mr. R. H. Shelford, the General Manager of both the *Free Press* and the *Free Press Weekly*. He, of course, is here today in his capacity as General Manager of the *Free Press Weekly*. Although all questions about the *Free Press* won't necessarily be ruled out of order, you should be mindful of the reasons he is here. We have received a brief from the *Winnipeg Free Press* as I am sure you know.

Mr. Shelford, the brief you prepared has been received. The Senators have had at least some opportunity of reading it, but I am afraid it wasn't received early enough for all of us to give it the study which I think it undoubtedly deserves. I would suggest that perhaps you begin with an opening statement which you obviously are prepared to make and may I suggest that following your oral statement we would like to question you on the contents of your brief and on any comments you may wish to make and if you wish to take ten or fifteen minutes, that is fine.

Mr. R. H. Shelford, Vice-President and General Manager of the Free Press Weekly: Mr. Chairman, ladies and gentlemen. The brief presented by the *Free Press Weekly* sketches the changes in the farm press in the past twenty years. It shows how a number of farm publications of a bi-monthly or a monthly variety were forced, through lack of revenue, to turn over to another publication

their paid in advance subscription lists. These publications were unable to obtain sufficient support from advertisers and were getting little or no revenue from these subscribers. Most of them tried to be a publication of interest only to farmers, thereby restricting the number of advertisers that would find their readership appealing.

Two of the three remaining major English farm publications are of a weekly news type for general appeal for both advertisers and readers. Because the *Free Press Weekly* is a rural publication, seeking and successfully obtaining readers in all ten provinces it is entirely reliant upon the Canada Post Office both for delivery and for subscription renewals. Virtually the whole of its circulation is delivered by the post office to paid in advance subscribers. When selling in a rural market through door to door canvassers it was necessary to take subscriptions for periods of three, five or seven years so that a territory need not be canvassed again the next year. Farm papers, therefore, built up subscription lists paid in advance for many years. These subscription lists were not an asset but a definite liability; a commitment by the publisher to provide a magazine for years to come.

From experience gained by building and maintaining a subscription list of over five hundred thousand rural readers, it is demonstrated that obtaining subscriptions through salesmen or through direct mail solicitation is very expensive and in some cases can produce a negative return. That is the cost of getting the subscription is more than the subscription price secured from the reader. Thus farm papers in the past have not been able to rely on subscription revenue and have been mainly dependent on the advertisers. Canadian farm papers were and still are very sensitive to any competition that would deprive them of advertising revenue and to any increase in postal rates. Added competition for advertising in the form of television throughout the rural areas of Canada has been created by the Canadian Broadcasting Corporation at public expense. It is quite reasonable that people living in rural and isolated communities should receive the same television service as people of urban areas yet advertisers are being given the opportunity to reach into these rural areas with the same message provided for urban distribution at no additional cost. The rural area viewing is a bonus provided to the advertisers in direct competition to rural publications. A consider

able amount of advertising revenue has moved from farm papers to television placing the farm papers in financial jeopardy yet not improving the financial position of the Canadian Broadcasting Corporation. It would appear that the cost of providing the service to advertisers in rural areas of Canada is not being met by the additional advertising revenue.

Last year the Canada Post Office raised a number of charges and rates which affected the farm publications. The rates affecting third-class mail, that is circulars and promotional material, were raised without parliamentary approval. The rates and charges on second-class mail received parliamentary approval and came into effect on April 1st, 1969. Any discussion on the proposed rate increase for second-class mail failed to reveal the extent of these increases and its impact on rural papers. It was not clearly shown that the rate increases could result in an immediate increase of three hundred to four hundred per cent in a publisher's postal bill.

The *Free Press Weekly* had anticipated a postal rate increase and based its projections on the expectations that the postal rates would be doubled. On this assumption, it had entered into long term commitments with hundreds of thousands of readers. There had been no indication from previous Postmaster Generals or from the senior officials of the Canada Post Office that the special category for agricultural publications would be eliminated. That the long time practice of charging by weight of publication would be replaced by a per piece charge. As stated, it was anticipated that the charge of one and a half cents a pound could well be increased to three cents a pound. The actual increase was to eight cents a pound. Since preparation of the brief, the Postmaster General has appeared before this Committee and made some statements referring directly to the *Free Press Weekly*. In our view many of Mr. Kierans' statements did not give an adequate picture of the situation. When the new rate structure was announced we expressed our opinions and comments in a letter to Mr. Kierans. Despite Mr. Kierans' statements neither the *Free Press Weekly* nor to our knowledge any of the other farm papers were given time to study or consult with Mr. Kierans or his department on his new rates before they were rushed into second reading before the House. The cost formula determined by the Canada Post Office with the assistance of an

outside consulting firm and so frequently referred to by Mr. Kierans were of a general nature applying to general classifications of mailings. They were not intended to determine accurately the cost of any one publication.

I should like to give an example of errors arising from the application of a general formula to a particular publication. The formula assessed a general cost of delivery of each article of mail at one and three-quarters cents a piece. No distinction was made between mail delivered by a letter carrier on foot in the city or by a mail carrier on a rural route or by placing a piece of mail in a customer's mail box in a rural post office. Clearly the single operation required in a rural post office is much less costly than letter carrier delivery in a city, yet the formula arrived at a general cost of one and three-quarters cents a piece. Applying this general cost to a publication such as the *Free Press Weekly* that is delivered through rural post offices and then multiplying the error twenty-six and a half million times, you come up with a fantastic annual cost. It is quite inaccurate and rather irresponsible. In October, 1968, Mr. Kierans quoted figures that produced an estimated cost of seven point one five cents per copy for handling the *Free Press Weekly*. Last week at this Committee he quoted figures that indicate an estimated cost of eight point five eight cents. These figures were used to substantiate a charge of a whopping deficit caused by the *Free Press Weekly*. The figures of seven cents or eight and a half cents can only be another indication of inaccurate information provided by the Canada Post Office or the revelation that there has been an increase of twenty per cent in the cost of handling mail in the last few months. Increased postal charges and rates make it very difficult and time alone will tell how difficult for a farm publication to carry on in Canada. The English language publications are existing now only through subsidies from related operations. The *Free Press Weekly* makes a strong plea to the government of Canada to review this entire subject of second-class mail rates. It is contended that the basis of cost analysis used by the Post Office is unrealistic and weighs heavily against second and third-class mail.

It has been shown that the United States Post Office has abandoned this method of cost accounting and that their new costing formula will bear most heavily on first-class mail. The *Free Press Weekly* respectfully

submits that the factors most seriously affecting Canadian rural publications are the advertising rate structure of the Canadian Broadcasting Corporation and the rate structure of the Canada Post Office. Both come under the scrutiny of the government of Canada and both deserve much closer scrutiny.

I thank you for the privilege and opportunity granted to present the brief.

The Chairman: Thank you very much, Mr. Shelford. We will turn to the questioning in a moment but I would just like to ask you one question just for clarification. I have Mr. Kierans' presentation to the Committee and you mentioned eight and a half cents. Where is that in here?

Mr. Shelford: You take his figure of five hundred and thirty thousand—that represents twenty-six and a half million copies. Divide that into his cost and it will work out to eight and a half cents.

The Chairman: That is not a figure he used?

Mr. Shelford: No. It can easily be worked out.

The Chairman: I just thought you were quoting him, I am sorry. Senator Sparrow?

Senator Sparrow: You suggest a review of the rates for second-class mail. What is your recommendation? What should those rates be or how would you change them?

Mr. Shelford: We feel that the rates should be sufficient to cover the additional expense incurred in handling second and third-class mail. This, of course, is after the facilities have been provided for handling first-class mail. If, a rural truck run or some other facility has been put on to provide first-class mail service that only the additional space or cost for carrying second and third-class mail should be charged to second or third-class mail.

Senator Sparrow: Well, why not reverse it? Why not have the second-class mail pay the basic cost and let the first-class mail pay the rest?

Mr. Shelford: First-class mail is guaranteed first-class delivery. Both second and third-class mail can under postal regulations be left aside for the next day or even the next day after that if space and staff do not permit the

handling of it. The facilities are clearly provided for the first-class mail and second and third-class mail get second and third-class service.

Senator Sparrow: You would agree that the first-class mail is probably the most important mail for the economics of the country?

Mr. Shelford: Yes.

Senator Sparrow: And they pay an additional rate and you can't really have a mail service without the different classes. However, the point I am getting at is that when Mr. Kierans was here he bulked all second-class into one basket and he didn't review individual operations as such, individual newspaper operations or so on. Is this what you are suggesting? That a policy be brought out then to look at each individual operation because I am sure your operation is much different than some daily newspapers for example who use the mail services more often. Are you asking for them to specifically look at your operation or similar operations and have a special rate for this operation?

Mr. Shelford: No, I am not suggesting that. That would be too costly from the standpoint of content review as the size and type of mailing changed in volume. What I am suggesting is that the cost, for example, the Winnipeg post office which the *Free Press Weekly* does not use because their handling and sorting system by-passes that office, be not included in a charge for the agricultural type of publication and most second-class publications do not go through their originating post office. They only go through the destination post office and yet the sharing type of cost accounting that the Canada post office uses charges the cost of these large urban post offices to all types of mailings. The incremental method of accounting which the American post office now uses eliminates parts of the first-class service and thus charges on second and third-class mail.

Senator Sparrow: Well, someone has suggested at our hearings that perhaps a refund for the services given would work and would not be considered a subsidy as such. What do you think of that?

Mr. Shelford: I think it would be simpler to set the charges so that it takes into account the fact that these services of sortation and so on and so forth are provided rather than work through a refund.

Senator Sparrow: Could you do that without being specific with the individual operation?

Mr. Shelford: If all of the second-class mailings were required to reach a certain degree of sortation then the charges could be set and a refund would not be necessary to some publications and not to others.

Senator Sparrow: Do you disagree with his calculations, the Minister's calculations of seven and a half cents in cost or the eight and a half cents in cost if, in fact, though it is dropped in the mail rather than being delivered by truck as you may do and so on. Are you arguing with that cost structure?

Mr. Shelford: I am not able to determine the cost structure or even guess at the cost structure of any other publication other than the *Free Press Weekly*. I can come up with a pretty good idea of the cost for handling a copy of the *Free Press Weekly*. I disagree with the seven point one five cents.

Senator Sparrow: Of handling that?

Mr. Shelford: Of handling that publication, yes.

Senator Sparrow: For the general second-class mailing though, are you arguing that that is the cost?

Mr. Shelford: No, I am not arguing against the general second-class mail.

Senator Sparrow: Have you asked the Post Office Department for a break-down of their cost as such? Have you studied their costs?

Mr. Shelford: I have studied the formula used to determine the allocation of costs.

Senator Sparrow: Do you agree with that?

Mr. Shelford: No, I do not.

Senator Sparrow: I am not talking now of your own publication. I am talking of the rates as such. I know you don't agree with it in your own publication.

Mr. Shelford: Well, that is the only degree to which I have studied it from the standpoint of the *Free Press Weekly*.

Senator Sparrow: He gives a very good story you know. Some of the editorials of the *Free Press* have eluded to the fact that he had perhaps misled parliament and so on but I wouldn't suggest that he was misleading us or that you are doing that today. He did

his best to convince us that, in fact, these were legitimate second-class rates, but he did admit that there may be some publishers who are giving more service than other publications and maybe there should be some adjustment there of some nature. Is that, in fact, what you are asking?

Mr. Shelford: I am suggesting that the formula used and the figures quoted by the Postmaster General labelling the *Free Press Weekly* with a deficit of one million, seven hundred and forty-five thousand dollars annually were inaccurate.

The Chairman: What should that figure be?

Mr. Shelford: It should be a fraction of that.

The Chairman: Well, what should it be? Should it be fifty per cent or seventy-five per cent? If I may quote from a document of the Minister's, it says:

"Brigadier Malone also did not tell you that while his postal bill this year will be five hundred and thirty thousand dollars."

Now, do you agree with that figure?

Mr. Shelford: That is approximately correct, sir.

The Chairman: It is the cost to the Post Office of carrying the *Free Press Weekly* will be two million, two hundred and seventy-five thousand dollars. Now, you disagree with that figure?

Mr. Shelford: Yes, I object to that figure.

The Chairman: What should that figure be?

Mr. Shelford: As an appendix to the brief, we have shown that at the outside the cost of handling a piece of mail—a copy of the *Free Press Weekly* could not be more than three cents a copy. We are now paying two cents a copy.

The Chairman: And he says it should be?

Mr. Shelford: He says it is about eight point five cents and we say it should be around three.

The Chairman: So presumably then this two million figure becomes one million dollars?

Mr. Shelford: Well, less than that. The total figure should be around seven hundred and fifty thousand dollars.

The Chairman: That is the cost?

Mr. Shelford: Yes, that is the cost.

The Chairman: So you say the post office loses just two hundred and twenty thousand dollars only?

Mr. Shelford: Approximately.

The Chairman: That is a million and a half dollars about which you and he disagree. That is a lot of money and how can the gulf be that wide? Senator Sparrow said you didn't accuse the Postmaster General of misleading the Committee and really I think you are in effect. You did say that he didn't give us an accurate picture. You are suggesting that he was out a million and a half dollars in what he told the Committee. Now, is that correct?

Mr. Shelford: I am suggesting that the general application of the costing of formula—a formula that is designed to cover all second-class publications when applied to the *Free Press Weekly* is bound to come up with some very large differences because we are talking about a mailing of twenty-six and a half million per year. The difference can be in the range of a million dollars or more.

The Chairman: Well, getting down to specifics. Getting down to a specific per copy basis, what do you and he disagree about in terms of costing? In other words, you say it should cost three cents a copy—am I correct?

Mr. Shelford: Yes.

The Chairman: And he says costs by your calculation, I take it...

Mr. Shelford: Eight point five eight.

The Chairman: Eight point five eight. Okay, so that is a difference of five and five-eighths cents—that is the financial difference. What, in fact, does he say he does that you don't think he does? Is that a fair question?

Mr. Shelford: Yes, that is a fair question. The costing formula used by the Post Office covers three areas. Sortation which is the sortation of the piece mailed at the originating post office, transportation which is covering the movement of the mail from the originating post office to the destination post office and delivery which is the delivery of the mail from the destination post office. The *Free Press Weekly* has under the general application of the formula been assessed figures in

the sortation area for handling the publication in the Winnipeg post office. However, the publication does not go to the Winnipeg post office. The publication goes directly on to freight cars in the railyards, delivered by our trucks and off-loaded by our men. There is no sortation. The transportation costs being in full freight car loads are less, I am sure, than the formula which would apply to part car loads of smaller publications.

We load in Winnipeg two car loads for Montreal, one and a half for Toronto, one for Edmonton and one for Vancouver and the transportation costs in a freight car of that type must be less than the formula as assessed. I have explained in my opening remarks why the cost of delivery in the destination post office is assessed at a figure far higher than the true cost in a rural post office. Many of the rural subscribers get their mail directly from their "locked box", as it is called, in the post office. It takes one operation to put a copy of the *Free Press Weekly* into that box and the subscribers come to the post office to get their paper; it is not delivered to them. The cost, therefore, is much less than that assessed by the costing formula.

The Chairman: Senator Sparrow?

Senator Sparrow: Would you estimate the value of the services that you supply to the Post Office Department by this type of delivery? There is a difference in what Mr. Kierans states as the loss they are taking. What do you estimate your cost to do the service that you are talking about?

Mr. Shelford: Our estimated cost is relatively small because our mailing list must be kept in the sortation system. We are not sorting it every day. That is the way it is produced. The only way that we can find the subscribers' address plate is to keep it in a proper sortation. The only way that we can ensure that it gets the most prompt service from the post office is to place the mail right in a mail bag that would be delivered directly to the destination post office with the minimum number of handlings, so that it gets there as quickly as possible. There is not an additional cost to us of handling or providing the mail pre-sorted this way, but there is a considerable savings to the post office because it is delivered in this form.

Senator Sparrow: If you dumped into the post office your papers one at a time or a hundred at a time, would they accept them?

Mr. Shelford: I do not know. I do not think they can under the present regulations and I am sure it would take more than a week to get them out.

Senator Sparrow: What is your time of delivery now for your newspapers by mail leaving your plant? How many days does it take to be delivered anywhere in Canada?

Mr. Shelford: It is about a day per province. In Manitoba it would be delivered the next day, going out to another province, Saskatchewan and Alberta, it would be delivered a day later and so on. Out in Vancouver, out in British Columbia and in the Maritimes about five days.

Senator Sparrow: How has the no delivery Saturday affected you? Do you get it out early enough in the week so that the Saturday delivery doesn't affect you?

Mr. Shelford: We changed our publishing date when this came into effect. We used to publish it on Thursday and Friday with an endeavour to get it carried over the week-end and then be delivered in the middle of the following week. We now publish it Monday and Tuesday so that the bulk of the mail could reach the post offices before Saturday and can be picked up or delivered by rural route before Saturday.

Senator Sparrow: I would just like to add to that that there are probably a lot of questions on mail costs because almost every brief has covered this but I would like to just get away from that for a minute. You operated your weekly at a loss this last year?

Mr. Shelford: Yes.

Senator Sparrow: Have you publicly stated the loss or are you prepared to?

Mr. Shelford: Yes. Although the revenues of the *Free Press Weekly* increased twenty-two per cent in 1969 over 1968, the increased postage costs and the increased postage was only for nine months in 1969 used up the whole of that twenty-two per cent increase and turned the publication into a loss position of approximately one hundred and fifty thousand dollars.

Senator Sparrow: Did it lose in 1968?

Mr. Shelford: Made a very small profit in 1968.

The Chairman: Senator McElman?

Senator McElman: All of this attributable to postal rates?

Mr. Shelford: All of this attributable to postal rates.

Senator Sparrow: Did your circulation go up between sixty-eight and sixty-nine—where is this twenty-two per cent increase in revenue?

Mr. Shelford: In 1968 we added several hundred thousand subscribers of the *Family Herald* and were able to increase the advertising rates on that basis.

Senator Sparrow: Your circulation as such for your *Free Press* in other words did not go up or did it?

Mr. Shelford: The circulation of the *Free Press Weekly* did move from about four hundred and twenty-five thousand to over six hundred thousand by the addition of the lists of the *Family Herald*.

Senator Sparrow: Didn't you state that your circulation was five hundred and some odd thousand?

Mr. Shelford: There has been considerable evaporation since then.

Senator Sparrow: Due to?

Mr. Shelford: Partly due to the increased resistance to price increases by the farmer. We have increased our subscription rate and partly due to the fact that not all the people who had been subscribing to the *Family Herald* and who were forced to become subscribers of the *Free Press Weekly* took kindly to it and hence did not renew their subscriptions.

Senator Sparrow: In your opinion—and I appreciate you have a great deal of problems with the postal increases—was the problem greater because it was too much too soon and could you have adjusted to it had it been spread over five, seven, eight or ten years? I ask this question because again, the Minister was talking about additional increases. He is still talking about the Post Office being subsidized by seventy per cent, I believe his figure is. What about the extension of it. Would you be that critical could you adjust to it to see that the Post Office department is a break even proposition at least?

Mr. Shelford: If the postal rate increases had been more in line with the normal increase that business would expect from its

suppliers of services, the subscription rates would have been changed more gradually and the subscribers would have taken it more casually. However, the farm market is such now that it is very resistant to any price increases and this was not the time to raise the subscription price as we did from a dollar fifty a year to three dollars a year. But it had to be done in order to obtain the necessary revenue to cover the postal increases.

Senator Sparrow: Does the three dollars cover it?

Mr. Shelford: Yes. If each subscriber that we have in the future will pay three dollars a year, it will cover it.

Senator Sparrow: Of your five hundred and fifty thousand, how many would still be on the old rate—now, I appreciate that some of those would still be in the papers that you took over, but what would the turnover have been now on the new rate?

Mr. Shelford: There are at least three hundred thousand that are still on our list at the old rate and will remain on for another year or more.

Senator Sparrow: When you take over a publication, you just take it over in fact and there is no compensation—it just increases your coverage for advertising revenue, is that correct?

Mr. Shelford: That is correct.

Senator Sparrow: Could you tell us how you obtain new subscribers and the cost of obtaining those new subscribers?

Mr. Shelford: There are two methods available. One is to send out salesmen, door to door canvassers and either pay their expenses or pay them a commission sufficient to make it worth their while to carry on. This commission has by custom been in the neighbourhood of ninety per cent though in more remote territories it is necessary to pay one hundred per cent commission to get a traveller working. The other alternative is to solicit by mail, sending out one or two hundred thousand pieces of mail at five cents a piece offering the prospective customer a subscription, normally at a reduced rate. You must offer a bargain or they won't return the order.

At certain times of the year it is possible to get four per cent return or slightly better and this is a break even point at the present time.

Senator Sparrow: For production mailing costs?

Mr. Shelford: Yes. To cover production and mailing costs. A mailing, in the wrong time of the year, say mid-summer, would certainly lose money. You would not get the return from the farmers.

Senator Sparrow: You are talking about that type of mail return—four per cent return. This is for new people. This is not renewal subscriptions?

Mr. Shelford: This is for former subscribers or to names obtained through the post office. You can purchase lists of rural post office patrons from the post office and from that list obtain the names of the persons who are not taking your publication and mail out to them.

Senator Sparrow: How faithful are your readers then for renewal of subscriptions? I assume, of course, that you send out one, two, three, four or more renewal notices?

Mr. Shelford: We are experiencing a change in the situation because the price of the publication has been increased. We used to under the former price structure obtain an eighty per cent renewal. It has now dropped to the neighbourhood of sixty per cent.

Senator Sparrow: Sixty?

Mr. Shelford: Yes.

Senator Sparrow: Do you have any insurance plans and so on that you sell at the same time as your publication?

Mr. Shelford: No, we do not carry any other type of sales promotion.

Senator Sparrow: Are your salesmen that you put out, do they only sell your publication or do you contract with other firms?

Mr. Shelford: We let them or we encourage them to handle other publications also because it helps cut their travelling costs. We do not have any restrictions on the salesmen as to the number or type of publications they handle.

The Chairman: Senator McElman?

Senator McElman: Where do you purchase those lists that you speak of?

Mr. Shelford: They are available from the post office.

Senator McElman: Fine.

Senator Sparrow: Straight householders' lists?

Mr. Shelford: Yes.

Senator Sparrow: How many regional editions have you?

Mr. Shelford: We have two. One in the east and one in the west.

Senator Sparrow: What is the difference—how many pages are different in your editions?

Mr. Shelford: It can vary as much as four pages, but in the heavy advertising seasons, they are probably the same. That is national advertising covering both editions, both east and west, will warrant the same size of edition. The edition size is determined by the amount of advertising.

Senator Sparrow: Well, news content and editorial content, is it about the same?

Mr. Shelford: Editorial comment is the same. The news is tailored to the part of the country the edition is designed for.

Senator Sparrow: Are the advertising rates and subscription rates the same in the east and the west?

Mr. Shelford: Subscription rates are the same. The advertising rates are based on the relative circulation of east and west editions and are very, very close to being the same with the exception of livestock advertising and classified advertising.

The Chairman: I am going to turn to Senator Everett who has indicated that he would like to ask some questions, but I would like to return just for a moment to the postal rate matter which I find very troublesome. Well, you and I have established here that there is a million and a half dollar discrepancy between you and Mr. Kierans. I think, Mr. Shelford, that I don't even for a moment question your sincerity, but I must say in andor that I don't question the Postmaster General's sincerity. He made a point when he was here in the question period and some of the Senators who were here could correct me if I am wrong about suggesting that Mr. Malone or yourself or someone from your company could visit him at the Post Office and inspect the figures on which he based this particular computation. Is that not correct?

Senator Sparrow: That is correct.

The Chairman: Have you done this and would you accept his offer?

Mr. Shelford: When he made that offer prior to the second reading on the postal bill, there was not sufficient time to make any inquiries...

The Chairman: I think you misunderstood me. He made it the other night here.

Mr. Shelford: Well, we had already gone over the formula provided by the accounting firm. We disagree with the formula because it was an audit—the results of an audit of the figures provided by the Canada Post Office and it was not a study in depth as it should have been. At no time were we, the largest user of second-class mail, approached by this outside consultant as to how we handled mail or how our various operations fitted in with that of the post office. I would call it a study or audit and not a real in-depth...

The Chairman: Well, you have seen the study?

Mr. Shelford: Yes.

The Chairman: Where did you see it, here or in Winnipeg?

Mr. Shelford: In Winnipeg.

The Chairman: And it was made available to you by the post office there?

Mr. Shelford: No.

The Chairman: Well, how did you get it?

Mr. Shelford: We got it from another source.

The Chairman: What source?

Mr. Shelford: A private source.

The Chairman: A private source?

Mr. Shelford: Yes, a private source.

The Chairman: Now, why haven't you accepted the Postmaster General's observations and why don't you and he get together and discuss this million dollar discrepancy?

Mr. Shelford: We have had a number of letters—there has been a considerable amount of correspondence between the Postmaster General and Mr. Malone, our publisher, on this matter.

The Chairman: I am sure.

Mr. Shelford: I think that the matter is still open.

The Chairman: Well, I think perhaps it is still open, but I would have no way of knowing, but I would suggest that surely there could be some more—some meetings of minds which isn't apparent now. He also said and will you comment on this in his document. He said, "The *Free Press Weekly* would have to increase its annual subscription rate by eighty-three cents which works out to one and two-thirds cents more per copy. That is the full extent of the burden we have asked the *Free Press Weekly* to pay. It still amounts only to twenty-five per cent of our estimated cost." Do you agree with that figure of eighty-three cents?

Mr. Shelford: Yes, I agree with that. That is a correct figure, but if I may add to that?

The Chairman: Yes, please.

Mr. Shelford: It is not possible to add that eighty-three cents to each subscriber that you have now on the list because you are committed to them.

The Chairman: Yes, I appreciate that.

Mr. Shelford: We hope in time that the subscribers will be paying this extra eighty-three cents. However, they are not at the present.

The Chairman: Well, I have a couple more questions I would like to ask, but perhaps I should turn to Senator Sparrow.

Senator Sparrow: But also you say they wouldn't have to do this. You say that that is going to have to be paid but you say, in fact, that they shouldn't have to pay it?

Mr. Shelford: No.

Senator Sparrow: Well, you are saying that the rates are wrong?

Mr. Shelford: I am saying that the calculations of the Postmaster General showing large deficits are wrong. It is the deficits that I am objecting to.

Senator Sparrow: Not the rates?

Mr. Shelford: Not the rates.

Senator Sparrow: The rates are all right?

Mr. Shelford: The rates are reasonable at present, yes.

The Chairman: Senator Macdonald?

Senator Macdonald: Do you agree that their calculations on all second-class mail are correct?

Mr. Shelford: No, I don't agree that all calculations on second-class mail are correct. Their assumption of sortation and distribution is in my mind inaccurate.

The Chairman: Yes, as we have discussed already. You broke down the three components, transportation and so on.

Mr. Shelford: Yes.

Senator McElman: I would like to go back to your question there a moment ago which I don't believe Mr. Shelford completely answered. Would it not be a practical thing, Mr. Shelford, since you are here in Ottawa, now to actually instead of the long distance call or writing—editorial writing deal—feel free to sit down with Mr. Kierans or with his officials or both and discuss this?

Mr. Shelford: Mr. Kierans stated in the House that he disagreed completely with the attitude of the *Free Press Weekly*, that second-class mail should be classed as a marginal cost in first-class operations. If he does not accept the marginal or incremental cost operation or application there is no ground on which we can meet.

Senator McElman: You don't feel you would have any chance of changing his view or his official's views by discussion?

Mr. Shelford: Mr. Kierans stated before the Transportation Committee of the Senate in October of 1968 that the strongest representation he had had was from the *Free Press Weekly* and it didn't seem to have any effect.

Senator McElman: You still really haven't answered my question. You don't think it is very practical then?

The Chairman: Well, I think he has answered your question.

Senator McElman: Very good.

The Chairman: We don't want to put words in your mouth...

Mr. Shelford: We have represented our theory of marginal costing as strongly as we can.

The Chairman: Senator McElman?

Senator McElman: Well, let me go to another subject. Senator Sparrow asked you

whether you could put down your papers in the Winnipeg post office rather than on the freight cars and your reply, I believe, was that you didn't know. It would seem to me that you would have an opportunity to become pretty darn snarky with Mr. Kierans because it wouldn't reduce your costs to put them down there, but it would seem as heck increase his costs wouldn't it? Have you thought of discussing that angle with him?

Mr. Shelford: We would, and Mr. Kierans is fully aware of this, never consider putting down all our papers in bulk in the Winnipeg post office because as I mentioned before it would take more than a week to get them out of there. It is a weekly newspaper and we want to get them out of there as quickly as possible. We are anxious to get service and prompt delivery to our subscribers. We would just never consider that.

Senator McElman: All right, let us take a third approach. Since you are saving the Post Office a reasonable sum of money by not doing that, would it be practical for you to discuss with him some division of that cost?

Mr. Shelford: I believe in this Committee last week Mr. Kierans suggested that.

The Chairman: Suggested?

Mr. Shelford: Suggested that there should be some consideration of the sortation being done by larger publications.

Senator McElman: Then there is a movement or opening for discussion?

Mr. Shelford: There is an opening for discussion on that.

Senator McElman: Would you think it would be practical to discuss it with him?

Mr. Shelford: We would be willing to discuss it with the Postmaster General, certainly.

Senator McElman: It would be more practical than editorially?

Mr. Shelford: Yes.

Senator Sparrow: I am confused. May I interrupt?

The Chairman: Senator Sparrow?

Senator Sparrow: On this point you said you weren't in favour of a rebate for services. You said that the rates should be lowered—

a policy of rates taking this into consideration, then a moment ago you said the rates are all right, that they are fair and I am not so sure that I understand what you mean.

Mr. Shelford: There are two rates being considered. The rate we are being charged which is two cents a copy and the cost per copy which is being bandied about somewhere around seven, eight, or ten cents a copy. It is the costs that are being bandied about that we disagree with. Not the rate that is being now charged.

Senator Sparrow: It is him saying that the costs are higher than what you say they are?

Mr. Shelford: Right.

Senator Sparrow: But you just answered Senator McElman by saying you would be prepared or wished to discuss with him the idea of a special consideration. Isn't this what you are saying?

Mr. Shelford: Yes.

Senator McElman: Yes, that was my understanding.

The Chairman: Yes, that was the answer.

Mr. Shelford: We can discuss that with him. It would probably have some bearing on the future rate increases that Mr. Kierans has indicated are in the offing.

The Chairman: I think what you are really saying is that you think the extent to which the Post Office is subsidizing your company is much smaller than Mr. Kierans thinks they are. Is that a fair statement?

Mr. Shelford: We categorically deny that it is a subsidy to our company and we also feel that the figure, if it is a subsidy to anyone, is overstated.

The Chairman: Well, I would like to come and talk about that in a moment but Senator Macdonald has a question.

Senator Macdonald: I was just thinking this. If you are correct then, the cost accounting system of the Post Office is wholly wrong as far as second-class matters are concerned. There might then be a presumption, but if it is wrong with regard to second-class mail, it could possibly be wrong for all types of mail.

Mr. Shelford: It is, as stated in our brief, that assumption that the United States Post Office has come to.

The Chairman: Back to this question on subsidies and so on and I don't use the word to annoy you but presumably it costs the Post Office more to carry the publication than the Post Office gets back in revenue from the company?

Mr. Shelford: Right.

The Chairman: So whether you call it a subsidy or no matter how you describe it, the Post Office carries the publication at a cost to the public.

Mr. Shelford: Well, I gather from your question, you say there is a subsidy and is the question who gets it?

The Chairman: No, that is not my question at all. My question is, do you agree that the Post Office loses money carrying the *Free Press Weekly*?

Mr. Shelford: I am not so sure that if, under the marginal cost operation, that is assuming and binding and determining the actual cost of handling the *Free Press Weekly*, I am not too sure that it would be losing money.

The Chairman: Do you think that the Post Office loses money carrying anything at all?

Mr. Shelford: Yes.

The Chairman: Obviously there is an enormous deficit in the Post Office so how does this occur?

Mr. Shelford: Well, the Post Office is providing a service. I think it is provided for the benefit of the first-class mail. The second, third and fourth are added and get marginal use of those facilities. Which class of mail should be charged for the basic cost of the Post Office in which it should be charged for the additional expense of carrying any particular type of mail is our...

The Chairman: Well, Mr. Shelford, we have had publication after publication come before this Committee and we have received brief after brief after brief complaining about postal rates. We have had the Postmaster General come before the Committee and say to us that the Post Office loses money carrying these publications. Now, the point I am putting to you is—you agree with both sides, don't you? I mean you agree that the Post Office rates are hurting the vast cross-section of the publications, but would you agree with

Mr. Kierans that the Post Office does lose money on the things it carries?

Mr. Shelford: Our main point of disagreement is the amount of money that it claims it loses.

The Chairman: Well, that is all right, that was what I was driving at. You think that there should be a rationale for the Post Office losing some money on some of the publications it carries?

Mr. Shelford: I do not—and I am getting back to the *Free Press Weekly*...

The Chairman: Fine.

Mr. Shelford: I do not think that the Post Office should continually provide at less than expense a service to the *Free Press Weekly* but it is going to be very, very difficult to convince anyone as to the degree of service we think we are getting and the cost of that small degree of service.

The Chairman: Well, even by your own figures the Post Office is running at a deficit of something like two hundred and twenty thousand dollars.

Mr. Shelford: And that is the maximum. You will notice that in Appendix B of our brief it says that the maximum that it should cost is three cents a copy.

The Chairman: So even if it is losing two hundred and twenty thousand dollars as the maximum figure, you think that that is a regrettable situation, do you? Please believe me, I am not trying to put words in your mouth, but did I understand you to say that the *Free Press Weekly* should pay its way with the Post Office?

Mr. Shelford: I believe it should because we do not expect any government subsidy in the operation of the *Free Press Weekly*.

The Chairman: All right then, I would like to turn to something else, if I could. In Appendix C of your brief you give the total advertising lineage. You have the figures for 38, 48, and 58 and 68. Could you give them to me for 1963, Mr. Shelford?

Mr. Shelford: I am not so sure that I have, sixty-three here—I have sixty-four.

The Chairman: Well, that will do.

Mr. Shelford: Classified was five hundred and seventy-seven thousand approximately.

and display was four hundred and fifty-four thousand, eight hundred.

The Chairman: Well, taking display for the moment, because your grievance with the C.B.C. relates to display advertisers, not classified advertisers. Your 1958 display lineage was five hundred and eighty-eight thousand, your 1964 lineage is four hundred and fifty-four thousand and your 1968 lineage was three hundred and ninety-two thousand so would I be fair in concluding that the problems you have don't relate entirely to postal rates but rather to a waning interest in farm publications?

Mr. Shelford: Well, as I mentioned at the outset, there has been a loss of advertising revenue to television.

The Chairman: Would you explain that to me? I would like you to sort of restate your position on that.

Mr. Shelford: The Canadian broadcasting stations have been creating around their core stations, satellite stations or satellite relays that have been covering the rural areas and the advertiser in the core station gets his advertising projected in the core area. Someone mentioned during the presentation of the previous group, the farmers watching the hockey broadcasts through the satellite stations, and the advertiser in that case is given that coverage and it is a considerable coverage. Around Winnipeg, the station reaches as far as Thompson and Churchill and Dryden and Antikokan into Ontario. The advertisers, therefore, are able to, in one package, reach out into the rural area at the same time as covering the urban audience. He is doing this in the Winnipeg area at an advertising rate lower than the competitive station which only covers the Winnipeg area.

The Chairman: What is the competitive station?

Mr. Shelford: A C.T.V. station.

The Chairman: In Winnipeg?

Mr. Shelford: Yes.

The Chairman: And the C.B.C. station you can buy at a lower rate including the satellite than the C.T.V. station?

Mr. Shelford: Yes. This is according to the rate card that I have from the Canadian Rates and Data.

The Chairman: What is the relative cost per thousand of spot announcements on C.B.C. television and the *Free Press Weekly*?

Mr. Shelford: I am sorry, I could not give you that. I do not know.

The Chairman: You list in Appendix A, a group of national advertisers, Gillette, Bristol-Myers and so on saying that in the fifties they spent a minimum of fifty thousand dollars a year in the farm papers and now that money has gone into television. Aren't you being a little unrealistic in sort of laying the blame for this situation at the feet of the C.B.C.?

Mr. Shelford: Well, it is the C.B.C. that has created these satellite stations in the rural areas, not the other.

The Chairman: If the C.B.C. were to take the costs of the broadcasts on the satellites and on the originating stations and decided that they would sell these announcements at a cost which would totally defray the costs of the broadcast, isn't it likely that the national advertisers couldn't afford the C.B.C.?

Mr. Shelford: I do not know the economics of broadcasting, but...

The Chairman: But if it were—if that were the case, if the costs then became prohibitive and were passed on to the national advertisers, would you still argue as you do on page four of your brief?

Mr. Shelford: Yes, I think so. We have been or it has been suggested by the Postmaster General that we increase our advertising rates to cover costs of increased postage and it is only reasonable that another operation subsidized out of public funds should increase their advertising rates to cover into the rural areas.

The Chairman: Isn't there a difference? Isn't the *Free Press Weekly* a private company and isn't the C.B.C. financed out of the public purse to the extent that advertisers pay part of the costs of operating the C.B.C., doesn't it save the taxpayers of Canada some money whereas the tax to the people of Canada are not saved any money at all through money which the Post Office uses to defray costs for various companies?

Mr. Shelford: Our suggestion is that if the advertisers are going to be given a projection into the rural areas, that they should be charged for it, but if they don't want it,

shouldn't be given it and then they would be required to advertise in rural papers.

The Chairman: So the C.B.C. makes no additional charge for the satellite coverage at all?

Mr. Shelford: Apparently not. If it is possible to buy the core coverage at a higher rate...

The Chairman: What percentage of viewers are satellite viewers of the C.B.C.?

Mr. Shelford: In western Canada the rural area is pretty well covered by satellite stations and, therefore, you can consider that the ratio of farm population to urban population would be the ratio of viewers satellite to urban stations.

Senator McElman: Have you, in fact, increased your advertising rates since the Post Office rates were increased?

Mr. Shelford: No, we have not.

Senator McElman: Why not?

Mr. Shelford: Advertising rates are based on circulation in relation to what Senator Davey said, cost per thousand, and it is not reasonable to increase advertising rates when the circulation is dropping. That is what has been happening on farm paper circulation.

Senator McElman: Surely the advertisers would also have some responsibility here to carry part of the cost in reaching his customers? Other costs go up, Mr. Shelford.

Mr. Shelford: If we are providing fewer readers, he is actually getting or being faced with an increase in cost per thousand in what he is buying. His actual rate has gone up but the charge rate has remained the same.

Senator McElman: In relative terms—I believe you said you increased your subscription rates from one fifty per year to three dollars?

Mr. Shelford: That is correct.

Senator McElman: I recall that it was two dollars, but it was one fifty?

Mr. Shelford: Yes.

Senator McElman: Well, in relative terms a one hundred per cent increase passed off to the subscriber and no increase to the advertiser. You are providing a service to both, aren't you?

Mr. Shelford: That is correct. We have increased the subscription rate in order to compensate for the increase in postal rates and other increased costs, wages, newsprint etc. and as I just mentioned, advertisers are in effect, getting an increase because his cost per thousand is increasing as the circulation is being reduced.

Senator Sparrow: You said your increase in revenue was twenty-two per cent. Where did that come from?

Mr. Shelford: We had an increased advertising rate when we took over the subscription lists of the *Family Herald*.

Senator Sparrow: And that is the twenty-two per cent?

Mr. Shelford: Yes.

Senator McElman: You said that list was one hundred thousand?

Mr. Shelford: It was about four hundred thousand.

Senator McElman: Oh, but it shook down to about one hundred thousand, is that correct?

Mr. Shelford: It was four hundred thousand and the amount of duplication was over two hundred thousand so that the net was one hundred and eighty thousand and that has evaporated to the extent that the net addition is now seventy to eighty thousand.

Senator McElman: What is the break-down between your eastern edition and your western edition in round figures?

Mr. Shelford: I have the latest figure here, they are practically the same. The eastern edition is two hundred and thirteen thousand, the western edition is two hundred and forty-three thousand.

Senator McElman: And what are your advertising rates for each of those?

Mr. Shelford: The advertising rate is the same for each. Two dollars and twenty-five cents a line—that is east or west and the national edition is three dollars and eighty-five cents a line covering both editions. There is no difference between the rate for eastern and western Canada.

Senator McElman: Well, I understood there was a rate differential?

Mr. Shelford: No.

Senator McElman: Is there a rate differential...

Mr. Shelford: Well, there is a rate differential in the type of livestock advertising which comes mainly from the east. We receive none from the west so there is really a special rate of I think it is a dollar twenty-five a line for livestock advertising in the eastern edition only.

Senator McElman: The eastern only?

Mr. Shelford: The eastern only.

Senator McElman: On another subject, you suggested that for those canvassers or agents that go after subscriptions for you in many cases you pay ninety to one hundred per cent commission?

Mr. Shelford: Yes.

Senator McElman: Does this apply for a new subscription rate?

Mr. Shelford: We have eliminated the canvassers completely from western Canada and the Maritimes. We have a few operating at eighty-five per cent around the heavy farm areas of Ontario. I am not too sure how long we can continue to keep these men employed.

Senator McElman: In other words the increased rate comes down to a subsidy to those people, doesn't it?

Mr. Shelford: I can't quite follow that.

Senator McElman: Well, your rate was one fifty and it is now three dollars so if your agents in Ontario were getting eighty per cent or ninety per cent before, he was getting a dollar forty we will say and he is now getting eighty-five per cent of three dollars so he is getting two forty-five. He is in better than a dollar?

Mr. Shelford: The canvasser does not take one year's subscription as a rule. The canvassers try to get a five dollar bill from the customer. Previously, we were operating five dollars for five years and we are now offering for five dollars a two year subscription. The canvasser is still only getting five dollars, but the increase means a shorter subscription time or term. It may be that he can go around more often, but we do not know as yet. His commissions, his net at the end of the week is the same as it was before.

Senator McElman: On matters of circulation which we have discussed with various wit-

nesses, we have asked how do you meet competition and so and at least one and I think more have answered that, "We produce the kind of paper that the people in our circulation area cannot afford to miss." Do you produce that kind of a paper for the farm community?

Mr. Shelford: I would like to be able to answer yes, but we stretch out far more than into the farm communities. We are a rural paper stretching into non-farm areas such as Newfoundland, British Columbia and the areas over northern Lake Superior. I believe we can continue to be wanted by these people, particularly as they do not get daily newspaper service. Our aim is to be a publication that reaches people who do not get a daily newspaper. As the daily newspapers are not stretching out into the rural areas to any great extent and, in fact, some of them are closing in a little, it is quite likely that our publication will continue to be wanted right across the country. The number of people living in those areas is declining at an increasing rate and, therefore, the number of possible customers is being severely reduced each year.

Senator McElman: I notice that with your subscribers in the west seventy per cent say they don't receive a daily newspaper. Does this indicate to you that you are providing a service for the western farmer that is vital and that the eastern edition paper is not providing such a vital service since it is just the converse to the east seventy per cent say they do get a daily newspaper?

Mr. Shelford: I do not believe—and it was expressed with the previous panel—that the family newspapers are giving agricultural information to the rural people either east or west and, therefore, even though seventy per cent of our readers in the east get a daily newspaper, I do not believe they are getting agricultural information from those papers. They will still continue to want an agriculturally oriented paper.

Senator McElman: Well, obviously the west you are providing a newspaper which is holding the readership very, very strongly—amazingly so. Is the content for agriculture generally not sufficient to hold up the same across the country? Is it largely western oriented?

Mr. Shelford: No. We do have an eastern edition with eastern related news we believe

that the people in any part of the country want to know what is being done in the field of agriculture in other parts and the eastern edition carries western news. The western edition carries eastern news to relate the various sections of the country to what is being done in other parts.

Senator McElman: Well, with a dwindling subscriber list that you referred to, what changes or efforts are you making to compensate for this in your paper I appreciate there is a fall-off because of your move to the urban centres but that is not all of it?

Mr. Shelford: We have within the last three years eliminated some of the entertainment features such as the colour comics that went with the paper and reduced the frequency of serial stories and tried to become more of a news farm journal rather than a household publication. We felt that entertainment was now being provided through other sources, daily newspapers and television and radio.

Senator McElman: Has this simply reduced your costs as related in the twenty-two per cent increase in profits or profitability or has this been turned to make a better paper by providing more agricultural information?

Mr. Shelford: That twenty-two per cent increase was not profitability but revenue.

Senator McElman: I am sorry, revenue.

Mr. Shelford: We have turned it to paying for more correspondence of a regional nature to relate to their farming operations and to purchase articles by working farmers. There has been some series on the Canadian grain situation by a farmer outside of Prince Albert which was of great interest in western Canada. That is just one example.

Senator McElman: What would be your sources of in-depth studies for articles or information in the Atlantic provinces?

Mr. Shelford: The Department of Agriculture is our main source.

Senator McElman: The federal department?

Mr. Shelford: The federal Department of Agriculture is our main source.

Senator McElman: What about the provincial department?

Mr. Shelford: We do not have a contact with them to any great extent really.

Senator McElman: Are they not closer to the local problem?

Mr. Shelford: They may be, but they are not close to our publication. I think it is a matter of distance.

Senator McElman: You don't believe it would be better to have a closer contact with the provincial department then?

Mr. Shelford: I believe it would be beneficial, but it would also be very expensive.

Senator McElman: Well, I was thinking of calibre.

The Chairman: May I point out to the Senators that it is now one fifteen and...

Senator McElman: Well, I will pass.

The Chairman: Well, I wasn't suggesting that you should pass.

Senator McElman: Well, Mr. Chairman, I will pass.

The Chairman: Well, may I say to the witness and...

Senator Macdonald: Just one last question Mr. Chairman.

The Chairman: Certainly.

Senator Macdonald: Going back to this idea of costs, was it your idea that the principle the Post Office should follow is that their primary duty is to carry first-class mail—they must carry that anyway so all they would charge for second-class mail would be the additional costs?

Mr. Shelford: That is our basic concept.

Senator Sparrow: I don't know whether it was your brief talking about the particular "free-loading"...

The Chairman: That was the first brief this morning.

Senator Sparrow: Well, can you tell me what the federal government would spend in a year on farm publications in advertising?

Mr. Shelford: I wouldn't know that.

Senator Sparrow: Do you feel that you are getting a fair amount of the advertising dollars spent in the farm press by the federal government?

Mr. Shelford: I cannot say because there are two ways of disseminating information. You can print pamphlets and have them in the office of the ag. reps. to be picked up and they can lie there for a long time or you could quite possibly at the same cost provide that in an advertisement in a farm publication and reach everyone immediately and, as the previous group indicated, in a more acceptable form. I do not believe that the cost of advertising is the question. It is the cost of dissemination of information. I have no idea what the cost of printing these publications would amount to.

Senator Sparrow: Well, you get your share then of advertising for, say the Canada Pension Plan, for example?

Mr. Shelford: Yes.

The Chairman: The Canada Post Office is another example.

Mr. Shelford: I would assume that we get it, reluctantly.

Senator Sparrow: I wonder if our witness would maybe just sum up for us—we really haven't got into this area and if he could in a few minutes sum up what he feels is the future of the farm press in Canada—if it really is, in fact, challenging and I say this—again, as I said earlier, I can't really see T.V. covering the needs of the rural community or radio for that matter as it exists today and I feel so strongly that this rural press is required.

Mr. Shelford: I can put it into one sentence. With the reduced number of farmers we now have and are being faced with, the future of specialist publications such as hog producers and dairy products and so forth is probably very insecure and they will probably disappear. We do not have a large enough market to support these publications such as they have in the States, but there certainly must be an area for general farm publications even if the number of farmers is reduced to two hundred thousand the publication will be viable in that area.

Senator Sparrow: I have the impression that the vertical type of publication would succeed longer than the general publication and you are suggesting that that is not your thinking?

Mr. Shelford: That is not my thinking because if you study the publications that

have gone out of business such as the *Canadian Countryman*, the *Farmer's Advocate*, the *Farmer's Magazine* and others, they were trying to be particular publications to a particular region and they could not exist.

Senator Sparrow: They weren't particularly a publication for a certain segment of the industry as such. They were regionalized for a segment as such?

Mr. Shelford: Yes.

The Chairman: I would just like to say to the Senators that we are going to meet again this afternoon at two-thirty no matter what happens.

Senator Sparrow: These vertical prints, are they being competitive to you for the advertising dollar now?

Mr. Shelford: Not particularly.

Senator McElman: Seventy per cent of your readers don't take a daily newspaper? In view of that they are presumably not getting the authoritative type of coverage that urban young people do on the changing society or the way they would like to change it. Obviously you have a service to provide. Are you providing it? Do you have on your staff young people who are directing their attentions through your columns to the young people of the rural community other than their agricultural problems? In other words, their social problems?

Mr. Shelford: Well, I would say so.

Senator McElman: Religion, pot and so on?

Mr. Shelford: It would be desirable, but there is a limited amount of space that we can economically provide in the publication and after we have covered general news, farm news and women's interests, we have run out of space.

Senator McElman: Don't you think you have a responsibility where seventy per cent of your readers do not get daily newspapers in the Prairies?

Mr. Shelford: We feel that by reaching in a general home publication we are, through the women of the home, influencing the young people, but that is about as far as we go.

Senator McElman: Don't you think you could go further? Don't you think you have the responsibility?

Mr. Shelford: It would be possible to go further by increasing the size of our publication at our expense.

Senator McElman: In other words everything that is in there is so precious that it can't give way to any social structure to the younger people

Mr. Shelford: Everything that is in there is at the discretion of the editor and he has made the choice.

Senator McElman: Do you have any young people on your staff?

Mr. Shelford: Yes, we have. We have young people on the staff who are writing and who are looking at the 4-H club operations and so forth. We are not trying to direct a portion of our paper specifically to the youth. We do not have a youth section.

Senator Sparrow: It seems to me that with five hundred and fifty-five thousand in circulation and four hundred and thirty thousand farmers that you are covering this field very well excepting, of course, the fact that I realize that you send about sixty thousand copies to B.C. to retired farmers. I think you said that in your brief?

Mr. Shelford: Yes.

The Chairman: May I on behalf of the Committee, Mr. Shelford, thank you very much. The very fact that we have run way beyond the one o'clock adjournment time is a measure of the interest. Thank you for coming. May I also, Senators, just acknowledge the presence in the room of Mr. T. R. Melville-Ness, publisher of *The Western Producer* in Saskatoon. He has been here all morning. He said he would be available for questioning, but I think he realizes why I didn't ask him to come up and answer questions as well.

Also, we are meeting at two-thirty to hear the brief from *Saturday Night* and then at four-thirty in this room Senator O'Leary. Thank you very much.

The Committee adjourned to 2:30 p.m.

The Committee resumed at 2:30 p.m.

The Chairman: Honourable senators, this afternoon we are going to receive a brief from *Saturday Night*. On my immediate right is the President of *Saturday Night*, Mr. William Nobleman, on my immediate left is Mr. Robert Fulford, the Editor and Director of

Saturday Night, and on Mr. Fulford's left is Mr. David Fry who is the Secretary of *Saturday Night*.

Mr. Nobleman, as requested, the brief you were kind enough to prepare was received some weeks in advance and it has been circulated to the members of the committee and presumably studied by them. We are now able to offer you 10, 12 or 15 minutes to make an oral statement. You can explain your brief, amplify or add to it, subtract from it or anything else that you may wish and then we will turn to questioning from the senators. The questions may well deal with the content of your written brief, or your oral comment, or indeed other things which you may have on your mind.

Mr. William Nobleman, President, Saturday Night: Thank you, Mr. Chairman. I am grateful to you for the opportunity to speak briefly and I am even more grateful for something you have done in leading up to this moment which is to put the Minister of Communications before the committee. This has given me an opportunity which in the light of the events of the last year and a half, I would have thought been denied me for all time and that is the opportunity to find myself in rather large measure of agreement with the Minister of Communications on something—particularly his remark before your Committee mentioned in the newspaper report in the *Globe and Mail* of last Thursday that he felt that the day of the mass media was going quickly. This is a sentiment which we agree with.

It is a point of view which indeed led to the near resurrection of *Saturday Night* some six and a half years ago. It is no accident I think that those who were responsible for taking *Saturday Night* over in the summer of 1968 had for the most part a background in education, because the thing which has struck us was that the tremendous expansion in the numbers of persons being exposed to a post-secondary education would for the first time create in Canada the kind of market which has long since existed in the United States for specific journals of comment and opinion.

The kind of thing I am referring to in the United States is such magazines as *The Atlantic*, *Harpers* and *Saturday Review*. I think it is a fair statement that these kind of magazines find their audience among the best educated and the most politically, socially and culturally contrast segment of the population.

Saturday Night's presence and its editorial direction and editorial performance since the summer of 1963 have, I think, been an exemplification of the Minister of Communications' thesis that a well educated individual tends to be precisely that, an individual and his desires in media tend to be much more specific than the mass media can serve, and *Saturday Night's* function is to serve a relatively well defined small but steadily growing segment of the Canadian population.

Now, we feel that the tremendous circulation and growth of *Saturday Night*, particularly over the last couple of years, is an implicit endorsement of the point of view which we adopted six and a half years ago that there was a market for this kind of medium. I think that the stature which the magazine has gained, the influence which it has been able to demonstrate and its public acceptance all make that point.

However, Mr. Chairman, you would forgive me if I went on to say that having found an area of agreement with the Minister of Communications that I think that is about as far as I can possibly go. Having found an area, I regard that as a milestone in itself. I must say that the operation of one of the major departments entrusted to his care, being the Post Office, would tend to suggest that his understanding of the kind of service needed in an area, where communications will become increasingly specialized, appears to be limited at best.

The article above the one to which I made early reference from the *Globe and Mail* talks about the post office playing God to the publishing industry. It may be that the Minister of Communications and I have somewhat different impressions as to what the role of the post office is. I thought the function of the post office in the area of reduced postal rates for publications was to serve the reader. If in so serving it should happen to serve the publishing industry as we, I think this is a happy by-product, but my clear-cut impression is that the post office exists not as something which is designed to pay for itself but rather as a service in precisely the same way as the Government offers a host of other services.

I think if we were to carry to its logical extreme the view that user payment should be the criteria for most government services that we would find ourselves back in the era of toll roads and a great many other anomalies of the age. I would be interested to know, incidentally, how he justifies the armed ser-

vices from that point of view. The situation seems also to be a little absurd in terms of the view as to whether or not there is a responsibility incumbent upon the Government of the country to ensure that the person who wants the written word delivered to them is well served when the Government is and does continue to be prepared to subsidize the transmission of broadcasts at a very, very high level.

We find it a little ironic, to say the least, in an area where the Government spends \$150 million a year to insist that 60 per cent of the content produced with that \$150 million a year should be Canadian in origin. We find it a little difficult to quite understand the point of view which suggests that it is O.K. to ask for 60 per cent Canadian content when you are putting \$150 million into the pot, but that it is not a proper charge at least on the part of the general revenues of the country to provide a service to the readers which in most instances is 100 per cent Canadian. In this case in the form of Canadian magazines. It may be that the minister's reported words that he feels that there should be a specific vote of the house to provide a level of support to second class mail rates is really a semantic quibble. I would have understood when he presented his extremely well documented case for the last increase in postal rates to the house and pointed out that these rates would not cover the cost as the post office calculates them of the second class service. We left the members of the house with the very distinct impression that they were doing precisely what the minister was asking—that is to say directing a specific level of public moneys into the provision of this service.

We feel that there is a need in this country, a far greater need in this country, to provide communications which are Canadian origin, Canadian in approach, and Canadian in outlook. We have laboured as the brief has pointed out under very frequently discouraging and often down right damaging circumstances in the attempt to provide this. One is not reassured by a climate of government which suggests that this is not deemed to be particularly necessary. On the other hand we continue to feel and the continuing publication of *Saturday Night* is our expression of our feeling that magazines like *Saturday Night* are essential to the existence and to the growth of a genuine Canadian identity and we shall, Mr. Chairman, continue to publish *Saturday Night* for that reason and in the

hope that we may eventually provide an economic justification as well.

Thank you very much, Mr. Chairman.

The Chairman: Thank you very much, Mr. Nobleman. This is a very forthright and very forceful statement. When we proceed to question you by all means feel free to direct questions over to your colleagues if you wish.

Mr. Nobleman: By all means, thank you.

The Chairman: I wonder if I could perhaps ask the first question and ask Mr. Fulford is the Trudeau Government anti-culture?

Mr. Robert Fulford, Editor and Director, Saturday Night: That is the heading on the copy.

The Chairman: Yes, I realize that. The senators who received a copy of the current issue will notice that the heading is "Is the Trudeau Government Anti-culture?"

Mr. Fulford: That is an article which asks that question...

The Chairman: And you think we should read it to find out?

Mr. Fulford: Yes, I think so.

The Chairman: You can't give us a short answer?

Mr. Fulford: A short answer is, perhaps.

The Chairman: That is a very political answer?

Mr. Fulford: Yes.

The Chairman: I was interested in your biography to see that you were a sports writer. Where was that?

Mr. Fulford: The *Toronto Globe and Mail* when I was about 19 to 21 years of age.

The Chairman: The *Toronto Globe and Mail*?

Mr. Fulford: Yes.

The Chairman: Yes, I had forgotten that.

Mr. Nobleman, you made some eloquent statements about things Canadian and expressed a number of views which I certainly for one would subscribe to. Do you regard the Canadian issue of *Time* as a Canadian magazine?

Mr. Nobleman: Editorially no, but in a business sense, yes.

The Chairman: You are familiar, I am sure, with the recommendations contained in the O'Leary Report and you are also familiar with the recommendations contained in the report and the subsequent legislations specifically exempting *Time* and the *Reader's Digest*. In retrospect do you think that that exemption was in the interest of the magazine industry in Canada?

Mr. Nobleman: Absolutely.

The Chairman: Why?

Mr. Nobleman: Why? Because without the *Reader's Digest* and *Time* magazine there wouldn't be a magazine industry in Canada.

The Chairman: Would you explain that?

Mr. Nobleman: Yes, it is very simply this. We deal in the brief with two trends which are apparent in the buying of the media. One of which the Government, I suspect, quite unwittingly fostered by its heavy subsidization of the C.B.C. That is a marked tendency on the part of buyers of media to look at markets as mass markets, a view in which television has been a major force in promoting. The net result of looking at most markets as mass markets is that there is a genuine reluctance on the part of the buyers of advertising to buy specialized media, particularly when the numbers of persons involved in the audiences of those specialized media is small. It is a most unlikely circumstance that many advertising agencies or many advertisers would be prepared to bear the cost of preparing advertising material for small circulation magazines. The more magazines there are in the field, the more incentive there is for the advertisers to prepare advertising material for the group. Our ability to survive as part of that group would, I think, be much more limited than it is.

The Chairman: So if the exemption which *Time* presently enjoys were removed, you would expect your magazine to disappear?

Mr. Nobleman: I would say that it would be a very, very real possibility.

The Chairman: You belong, I believe, to the Magazine Advertising Bureau?

Mr. Nobleman: Yes we do.

The Chairman: Has that been to your advantage?

Mr. Nobleman: Oh, I would say undoubtedly.

The Chairman: Could you explain how?

Mr. Nobleman: Well, it has for one thing very successfully conveyed the idea of a magazine network for a magazine approach. As the brief also points out we have a very, very small sales staff. Our ability to compete as an individual medium is markedly diminished by our own lack of resources and particularly shows in the fact that we can maintain a sales staff of very limited numbers. What in essence the M.A.B. has done for us is to provide us with a very real and a very meaningful extension of our own sales efforts. A great deal of a basic selling job for magazines as a medium, a great deal in many instances of a specific selling is done for *Saturday Night* along with other members of M.A.B. by the M.A.B. and it in most instances represents an added sales effort which we simply couldn't muster the resources to carry on.

The Chairman: The Magazine Advertising Bureau as you may well know is coming before the committee tomorrow so I don't want to ask a lot of questions about them, but who would be some of the national advertisers that you have acquired through M.A.B.?

Mr. Nobleman: Through M.A.B.?

The Chairman: Yes.

Mr. Nobleman: Well, I would say that in almost all of the basic advertising categories in which we are involved and these would include automotive, alcoholic beverage, travel, financial institutions that the M.A.B.'s efforts have been a very real factor in getting whatever business we have got in these areas.

The Chairman: Have they been more of a factor than your own salesmen?

Mr. Nobleman: Depending on the area, in some instances yes. I would say certainly this would be true in the automotive area.

The Chairman: The M.A.B. is jointly financed by all of the magazines. Is that correct?

Mr. Nobleman: We all kick into the pot, yes.

The Chairman: What percentage would *Time* pay?

Mr. Nobleman: They would pay more than us.

The Chairman: They would pay more than you?

Mr. Nobleman: Yes, thank God.

The Chairman: They would pay considerably more than you?

Mr. Nobleman: Yes.

The Chairman: Would they pay more than half of what it costs?

Mr. Nobleman: Of the M.A.B.?

The Chairman: Yes.

Mr. Nobleman: Certainly not, but I would suggest that that question might be more appropriately directed to Mr. Crosbie who presumably would have those figures at his finger tips.

The Chairman: I am sure we will be putting the same questions to him. Would it be fair to say this: that the M.A.B. for its existence that *Time* membership is terribly important; just as it is important to the survival of the magazine industry in Canada, it is equally important for the survival of M.A.B.?

Mr. Nobleman: Well, I would say that the M.A.B. would be a much weakened body if *Time* were not a member.

The Chairman: Does it concern you as a Canadian that the magazine industry in Canada might be in serious jeopardy if it were not for *Time*?

Mr. Nobleman: Yes, but the time to have done something about that was long before I became involved in the magazine industry.

The Chairman: For example when Senator O'Leary made his report?

Mr. Nobleman: Much too late.

The Chairman: Even then it was much too late?

Mr. Nobleman: Oh, it was miles too late.

The Chairman: Well, how much too late?

Mr. Nobleman: How much too late? Fifteen years.

The Chairman: When did *Time Canada* start?

Mr. Nobleman: In the early forties would be my recollection.

The Chairman: I don't want to spin this particular line of questioning out endlessly but presumably you think that when Senator

O'Leary made his recommendation as far as *Time* and *Reader's Digest* was concerned it was already too late and that in exempting *Time* and *Reader's Digest* from the ultimate legislation, the Government did the right thing?

Mr. Nobleman: Well, I am on the public record as having said that in 1963, at the time the exemption was made, so I would hardly want to change that position now, since I think the correctness of the Government's action at that time has since been more than amply demonstrated.

The Chairman: Were you in the magazine business at that time?

Mr. Nobleman: Yes I was.

The Chairman: Where were you, Mr. Nobleman?

Mr. Nobleman: I had just come to *Saturday Night*.

The Chairman: Just arrived at *Saturday Night*?

Mr. Nobleman: Yes. I had been with *Chate-laine* just prior to that.

The Chairman: What did you do at *Saturday Night*? Were you a salesman?

Mr. Nobleman: I came to *Saturday Night* as Director of Advertising Sales.

The Chairman: So you are very familiar with that side of the business?

Mr. Nobleman: Yes.

The Chairman: Well, let us talk about advertising sales for a moment. I noted in your last issue that you had a full page ad from *Time* magazine?

Mr. Nobleman: Right.

The Chairman: Was that a paid proposition?

Mr. Nobleman: It sure is.

The Chairman: How much would *Time* pay for that if you don't mind my asking?

Mr. Nobleman: In January, \$1,075 less frequency discounts.

The Chairman: That is a contract is it?

Mr. Nobleman: Yes.

The Chairman: They are on a monthly contract?

Mr. Nobleman: They are on a 12 time contract for this year.

The Chairman: I am sorry. You said the price was?

Mr. Nobleman: In January it was \$1,075 less the appropriate discount.

The Chairman: Well, would that be approximately \$1,000?

Mr. Nobleman: Roughly. The rate went up somewhat in February.

The Chairman: So that *Time* magazine spends \$12,000 a year advertising in *Saturday Night*?

Mr. Nobleman: Yes.

The Chairman: How much would your biggest advertiser spend?

Mr. Nobleman: About thirty.

The Chairman: How many would spend more than \$12,000?

Mr. Nobleman: One tries to anticipate every possible question that could be asked, but that is one I didn't anticipate. I would have to make a pure guess and I would say possibly 10 or 12.

The Chairman: On the reverse page there is an ad for an FM station in Toronto. Would that be a contra account?

Mr. Nobleman: That is a contra account.

The Chairman: The contra account...you would receive air time?

Mr. Nobleman: Exactly. We use it to promote our newstand sales in Toronto.

The Chairman: You have had a number of interesting comments to make about the role and function of the C.B.C. which I presume you regard in a sense as a competitor?

Mr. Nobleman: I would regard television generally as the chief competitor.

The Chairman: Television more than the balance of the magazine industry?

Mr. Nobleman: Oh yes.

The Chairman: Well, for example, are *Maclean's* and *Time* competitors of yours?

Mr. Nobleman: Well, let me just answer that question in this way. *Time* and *Maclean's* are competitors for advertising dollars within the very limited number of advertising dollars that the industry gets. The fundamental problem of the magazine industry in Canada is that it does not begin to get nearly enough dollars and the fundamental reason it doesn't get nearly enough dollars is that I think the major or part of the dollars which might otherwise be directed towards magazines are in fact going into television.

The Chairman: And yet you, throughout your brief without giving a specific instance, are appealing to a particular cross section of audience, a particular quality of audience. The phrase is in there "there is no substitute"—I think that is the actual wording that I recall. Do you believe that a national advertiser—I realize it doesn't matter what you believe, but it is what the agencies believe—do you believe that a national advertiser can reach the *Saturday Night* audience by buying television time?

Mr. Nobleman: We have a host of information which indicates that he cannot.

The Chairman: They do not?

Mr. Nobleman: That he cannot. But the problem is, as you have already stated sir, it is what he believes.

The Chairman: What the agency person believes?

Mr. Nobleman: And/or the client.

The Chairman: And getting back to competition—well, I believe I have already asked this question that you think there is no substitute for *Saturday Night* but you are not saying that there is no competition for *Saturday Night*?

Mr. Nobleman: There is no competition I think in the direct sense for the minds of our readers. I think that the job which we do for our readers is one that is unique to us and to them.

The Chairman: You don't regard the newspapers in any sense as competition?

Mr. Nobleman: Not certainly for reading time in the sense—well, I would like to direct that question to Mr. Fulford.

The Chairman: Fine. I would be delighted if Mr. Fulford would answer but I could perhaps just preface it by saying that some pub-

lishers have indicated and some briefs have indicated that there is a trend in the daily newspaper publishing business to increasingly meet the television challenge by assuming more and more of a magazine format.

Mr. Fulford: I think that is true and I think that as that happens, *Saturday Night* has to become more and more specialized. It has to be more of a magazine and more intense in its developments of its ideas and it has to be better than the newspapers than what the newspapers are increasingly trying to do. They are trying to become magazines to some extent because the people get their news, their direct news from television.

I don't think at this point that there is any national competitor to *Saturday Night*. In some areas of the country some people are fairly well served by newspapers in some of the areas that we cover, but as a national medium, *Saturday Night* does not have the competition so far as I know.

The Chairman: I think some of the other senators have questions. I have a couple more, but I believe Mr. Fortier has a question.

Mr. Fortier: I do not know whether Mr. Nobleman or Mr. Fulford wishes to apply his mind to this one, but in view of the malaise in the magazine industry in Canada and in the United States, I think the committee would be very interested in hearing from you gentlemen as to whether or not there is a future in North America for the general interest magazine?

Mr. Nobleman: Oh, I should have to ask you for a definition of what you mean by a general interest magazine before I attempt to answer that question.

Mr. Fortier: I think rather than attempt to define it I would merely oppose it as to special interest magazines such as *Playboy*, and I would probably have to say a magazine such as *Chatelaine* fall into a special category. The general interest being *Life*, *Time* magazine, and so on.

Mr. Nobleman: Well, I would exempt *Time* magazine from that group as well. The comment which I would make, and I also would suggest that Mr. Fulford's viewpoint would be valuable—I think that the general interest magazines as such, stand to lose the most from the visible trend in newspapers towards the role which traditionally has been that of the general magazines. I think that they are

in more danger from it, but I would not for one be prepared to say that there is no future. I think it may possibly be somewhat of a more difficult future than there is for specialized magazines if we as specialized magazines can begin to change the market attitude.

Mr. Fortier: You seem to indicate in your brief, at least I so understood as I read it, that you considered yourself to be more of a specialized magazine?

Mr. Nobleman: Oh, absolutely.

Mr. Fortier: Than a general interest one. How do you fit yourselves into that category?

Mr. Nobleman: Well, I think I will throw that one to Mr. Fulford.

Mr. Fulford: I think it is not so much a special group of people, certainly not in any professional sense, but a group of people, a collection of people with an interest, a kind of psychological bond, if you will. They tend to be liberal people, they tend to lean towards professional people and fairly well educated people and they tend, I think, to have a higher than average interest in Canada and the past of Canada and the identity of Canada and...

Mr. Fortier: I am sorry to interrupt you, but I am tempted to ask you potentially how many of those people are there in Canada? One hundred and one thousand?

Mr. Fulford: Well, I think there are more. I think there are more and I think we will get to many more of those people in the future, but I think we have a good readership now and we get very good response from them now with letters and we have a feeling of a constituency for *Saturday Night*, a group of people who want the magazine. In that sense it is a specialized magazine, but it certainly is not for everyone. On the other hand, it is not for a tiny minority either, just for a very high brow elite. It is for—you might apply the word that is not often applied in a complimentary sense—but you might apply the word “middle-brow” to these people.

Mr. Fortier: Given this reasoning you certainly then would not consider television as your main competitor. Is there another print or electronic medium in Canada competing for that sort of reader or viewer?

Mr. Fulford: Well, there are two ways to consider competitor. One way is for advertis-

ing and the other is for readership. In terms of readership there is no direct competitor, but there are competitors for parts of our readership and parts of our function. That is some newspapers in some areas of the country, Montreal and Toronto for example, can do some of these things that we do. I would like to think that we do them better but they are doing some of the same things. However, I do not think there is any national competitor. I think our real competitors are mostly American magazines for the reading time of our readers.

Mr. Fortier: Which ones?

Mr. Fulford: They tend to be *Atlantic*, *Harpers*, *Saturday Review*, *The New Republic* and *The Nation*. Magazines of that kind.

Mr. Fortier: You make the point also in your brief on the newsstand that these magazines appear to get a more favourable display than *Saturday Night*. I know you have asked us to look into it but since you don't expand on it much I would like to have your opinion why that is?

Mr. Fulford: I can't really say for certain but I think that there is attached to American products in Canada, in English-speaking Canada, there is the glamour which is not attached to a Canadian product. Now, that is just my guess but why I should see *Saturday Night* stacked two stacks behind an American magazine with the same price which we out-sell consistently year after year, I can't really give you a complete answer to that.

Mr. Fortier: From the news sellers' point of view...

Mr. Nobleman: I think there is an historical reason and that is the fact that we have not historically outsold those magazines. Our ability to outsell them, and particularly outsell them on a scale which we quote in the brief—for example a single issue of *Saturday Night* outsold all six of the monthly issues of those magazines—is a relatively recent development. I think the consciousness that we represent that kind of return has yet to percolate to a great many news outlets.

Mr. Fortier: And with your two or three advertising salesmen you are not in a position...

Mr. Nobleman: Well, I think you are confusing two other areas. We are largely in the hands of our newsstand distributors for that. This is not a function of the advertising sales

organization and I have no reluctance in paying a public tribute to our newsstand distributing organization because I think they have (a) worked miracles and (b) given us a fantastically disproportionate share of their time.

Mr. Fortier: However, you are still caught in that circle?

Mr. Nobleman: We are increasingly coming out of it. I am delighted to see that we have made the front row of the Chateau now.

The Chairman: I would like to ask you a question at this point. That particular statistic of comparing your sales to their sales was that just an overall figure or the newsstand figures?

Mr. Nobleman: That is specifically the newsstand figure.

The Chairman: How about in the non-newsstand?

Mr. Nobleman: Oh, I would think the margin would be even greater. I would think that our circulation would be in the order of three or four to one.

The Chairman: Of theirs combined?

Mr. Nobleman: Of theirs combined.

The Chairman: Mr. Fortier?

Mr. Fortier: You paint a very bleak picture in your brief for what you call small consumer magazines. How big does a small consumer magazine have to become before it ceases being termed a small magazine? What circulation are you looking for?

Mr. Nobleman: Well, that is a very subjective question I should say and requires a very subjective answer. I think the point at which you cease to be small varies from medium to medium. There may be publications, and I can think of some which are represented here in this room which are quite healthy, with circulations which leave us in considerable difficulty, but I would say for example that I think *Saturday Night* should at present be capable of generating a 150,000 circulation. I would say that our problems would be very, very substantially lessened if we were able to deliver that circulation at the present time.

Mr. Fortier: Well, given a loan from either I.D.B. or a contribution or loan from an organization or body similar to the Canadian Film Development Corporation—which I

found most interesting, I must say—what would you do with the money? What would you do? Improve the circulation or improve your appeal to the advertisers?

Mr. Nobleman: Well, the first thing I would do is give more money to my editor so he can improve the magazine. We think it is a pretty good magazine, but I believe he would be the first to say that it isn't as good as it could be.

Mr. Fortier: Supposing you had half a million dollars, Mr. Fulford, what would you do to improve *Saturday Night*?

Mr. Fulford: With half a million dollars—I can't imagine a figure that high actually because that is beyond my imagination. If I had \$4,000 a month to spend on contributors instead of \$2,000 a month I would just begin paying contributors more to get better contributors and get better work out of them.

Mr. Fortier: That would be your first priority, would it?

Mr. Fulford: Yes, that would be my first priority. Beyond that I would increase the staff so that I could have staff writers as well as contributors so that we could spend more time researching and developing stories for *Saturday Night*. Beyond that, the money should go into circulation promotion because I think this is where we are sadly lacking. We don't spend enough money to increase the circulation. As I said before, I believe there are a good many more people in Canada who would be ready to read *Saturday Night* and subscribe to it if we could work a little harder to reach them. It costs a lot of money to sell subscriptions even though you get the money back. We make money on a circulation but you have to invest money to increase the circulation and I think there are a lot of people we would like to be reaching whom we are not.

Mr. Fortier: How would you go about reaching them. Which is the best way?

Mr. Nobleman: By direct mail. By direct mail without question.

Mr. Fortier: This is now considered third class, for example?

Mr. Nobleman: It has been.

Mr. Fortier: And is now even more expensive as a third class medium?

Mr. Nobleman: Yes. I would say that the increase in third class has substantially inhibited our ability to do even the amount of circulation promotion which we had done before. The point is now that we are faced with a 66½ per cent increase in the basic postage cost alone, and if we tag on to that a 60 per cent increase in the cost of the return mail, almost punitive cost on undelivered mail—we maintain direct mail lists of our own and the ability to maintain a list without a single error is just non-existent. The whole darned thing comes up to the point where it represents substantially inhibition in our ability to do even a limited scale of direct mail solicitation which we were doing.

Mr. Fortier: Because of what has been referred to as high pressure forms of subscription sales have you...

Mr. Nobleman: We have discouraged them from the moment I came to this magazine. We have reached the point in our ABC statement where 72 per cent of the subscriptions sold to *Saturday Night*, according to our last statement, came from the mail and my objective is to get that figure up to around 90 per cent, the other 10 per cent representing quite legitimate areas of direct personal contact selling.

Mr. Fortier: Do you purchase mailing lists?

Mr. Nobleman: Yes.

Mr. Fortier: I noticed you also offer them for sale?

Mr. Nobleman: Yes.

Mr. Fortier: This is one of the services you have?

Mr. Nobleman: The lists which we offer for sale are actually lists which were compiled for *Monday Morning*, which is our teachers' magazine. If you want to rent *Saturday Night* names, the best we will do is give you the names of those unwise souls who did not renew their subscriptions.

Senator Macdonald: Are there many of those?

Mr. Nobleman: It is a very much decreasing number. We are at the point where we are renewing a great many more subscriptions than we are losing when expiry time comes. Probably the singly most heartening and probably the singly most economic sustaining aspect of the entire operation is the dramatic

improvement in the number of people who do renew their subscriptions.

Senator Macdonald: The list would be of little value to anyone applying for it?

Mr. Nobleman: I am sorry, sir, I couldn't hear you.

Senator Macdonald: The list would be of supposedly little value to anyone buying it?

Mr. Nobleman: Well, since some of them come back and repurchase it there must be some value.

The Chairman: I would like to ask you a question on section 5 of your brief. You say:

"We attempt consciously to lead public opinion rather than follow it and the extent to which we can lead public opinion is probably a good indicator of our success."

The example that you talk about, I think you say that you were the earliest English language magazine or publication to endorse Prime Minister Trudeau.

Mr. Nobleman: Right.

The Chairman: Can you give us another example of the magazine successfully leading public opinion?

Mr. Fulford: I have only been there a year and a half and haven't had much time to lead public opinion as yet. However, I think possibly—just to suggest the reverse side of the coin in regard to the Prime Minister, I think we were more critical earlier of the Prime Minister than perhaps some other publications.

The Chairman: Well, setting the Prime Minister aside.

Mr. Nobleman: Well, I have a longer background and perhaps I can field that one.

The Chairman: All right.

Mr. Nobleman: Some three and a half years ago when the Government proposed a new maximum security building program for penitentiaries, we ran a rather biting article analysing statistics on the number of people who required maximum security custody and we analysed the trends in sentencing, and so on, and offered, I would say, a literally biting indictment of the penal department's proposal to build these maximum security institutions. It may be the purest coincidence, but the only

one of those maximum security institutions that has been completed is the one which was under construction at the time of the article. The others have never been proceeded with. We would be hard pressed to say that we were the specific factor which led to the abandonment, or at least the postponement, of that program, but it is certainly one.

I think we have played, as the brief points out, a major role of the interpretation of events in Quebec. We have consistently, I think, been ahead of the newspapers and consistently been ahead of other media in our ability to interpret the significance and the root causes of events in Quebec.

We have been in the position—again, I can go back to 1966 in offering certain comments on the trends in educational development in Canada which subsequently and almost totally anticipated the reports of royal commissions.

The Chairman: Would you describe your editorial stance as being small "l" liberal?

Mr. Nobleman: Yes.

The Chairman: You say you are going to lead public opinion in a wide variety of areas and I would like to ask you about two which you list, medicare and marijuana. Where are you leading public opinion in terms of medicare?

Mr. Nobleman: Well, medicare, that was intended as post facto. We did publish a whole issue in May of 1965 on the subject of medicare and I think our position in favour of medicare was quite unmistakably enunciated. My editor having very recently written a piece on marijuana, I will let him speak for himself.

The Chairman: Mr. Fulford?

Mr. Fulford: Well, it was really a piece arguing for the liberalization of the laws on marijuana and the elimination of the idea of sending people to jail for possessing marijuana. It was just that.

The Chairman: And you are in favour, I presume, of an independent Canadian culture?

Mr. Nobleman: You might say.

Mr. Fulford: Yes, I think so.

The Chairman: Well, you think so; are you not sure?

Mr. Fulford: I think that probably *Saturday Night* by its mere existence suggests such a thing. It suggests that there is such a thing—that it is possible for discussion among Canadians and we suggest that it is important. We put our careers into this and we say that this is an important national matter and beyond that what we say in the magazine can be taken separately. We may be more nationalistic one year than another.

The Chairman: Well, the question I was coming to is this: In your opinion is an independent Canadian culture possible without a national public broadcasting system?

Mr. Fulford: No.

The Chairman: Do you agree with that Mr. Nobleman?

Mr. Nobleman: Absolutely.

The Chairman: Coming again to your comments, Mr. Nobleman, with regard to the C.B.C., are you in favour of the C.B.C.'s subsidy being removed or are you in favour of you getting a subsidy from the Government?

Mr. Nobleman: I am in favour of neither of the two alternatives suggested.

The Chairman: What are you in favour of?

Mr. Nobleman: Well, as far as the C.B.C. is concerned I think it has a justified claim on the general revenues of this country. What appears to me to be unreasonable is the suggestion that there is no room for support in the distribution of the printed word.

The Chairman: Who made that suggestion?

Mr. Nobleman: Well, it seems to me that that certainly is both the net effect and the net opinion I have gathered of the views of the Minister of Communications.

The Chairman: Well, perhaps I could quote a speech he made the other night and he concluded by saying—he quoted from the Glassco Commission and this is a quote from the Glassco Commission in which he recommends an annual grant from Parliament, and he goes on to talk about further assistance to your industry and he says:

"Two elements are essential. One the Government should not give specific subsidies to specific publications as it would be quite inappropriate and, two, the publishing industry should make specific suggestions on how within the

financial limits set by Parliament the assistance could be most equitably divided among the different types of users."

So I take it that it may be—I am the Chairman of the committee and I don't want to put words in your mouth or in the mouth of the Minister of Communications, but it would seem to me that he was not opposed to some form of assistance to companies like yours.

Mr. Nobleman: Well, let me put it to you this way, Mr. Chairman.

It seems to me that there is a twofold gap in reasoning. I have a fundamental philosophic difference with the Minister of Communications. He regards postal service as one which should by its inherent nature apparently pay its own way. It is my view that the post office is a public service and that it is inappropriate, as I suggested in my opening remarks, to expect that the specific user of the postal service will pay the full cost of that service as it is to suggest that this should be true to a wide variety of other governmental services.

The second area is that I can't—and maybe we are involved in a semantic quibble—but I can't see the difference between the Government setting a postal rate which the post office tells us is insufficient to cover the cost of second class mail and the Government saying on the other hand this is the short fall—we will vote this amount of money.

The Chairman: Well, if you can't see the difference and Mr. Kierans can, you can't say he is opposed per se of some form of assistance?

Mr. Nobleman: Well, I reiterate the point that I am not talking specifically of his assistance to a company like ours. The assistance he offers is an assistance to our readers to get our product. That, I think, is an indirect and influential kind of benefit.

The Chairman: You are in a somewhat different position, aren't you, than for example the C.B.C. which is a public corporation. You are a private company?

Mr. Nobleman: Exactly. About the only major point of similarity, I suppose, is that we are both non-profit.

The Chairman: Mr. Fortier?

Mr. Fortier: The suggestion has been made Mr. Nobleman that if publishers were to accept subsidies from the Government, and

you seem to recommend that this seriously be considered either in the form of an I.D.B. loan or in the form of an agency such as Canadian Film Development Corporation. Do you feel that this would be an attack on the freedom of the press in any way if you were to accept money from those sources?

Mr. Nobleman: Well, I think we are talking of slightly different things. The bulk of the recommendations which I have made in fact deal with the availability of loan capital. The suggestion in none of those cases is that there be outright grants.

Mr. Fortier: An involvement of the publishing industry with the Government.

Mr. Nobleman: Well, to speak specifically to the recommendations that are involved as it stands at the moment the publishing industry is effectively barred from access to any of the sources of loan capital which are available to, say, a manufacturer of widgets. We are barred by statute as effectively as we could conceivably be. In a period of tight credit such as exists at the moment, the thought that we are so barred becomes a real operating disadvantage. I think that in essence I personally would much prefer that Parliament operate in terms of postal rates so far as the publishing industry is concerned rather than in terms of direct subsidy, or of any specific earmarked assistance for any specific publication. I don't for a moment suggest or believe that this would necessarily at some point constitute or be capable of constituting an infringement on the freedom of the press to do as it believes. I just believe that it would be an unwise thing to do.

Mr. Fortier: Well, what about the argument, though, that in so doing magazines and newspapers which need to be helped are being subsidized just as much as those newspapers or magazines which do not need these subsidies?

Mr. Nobleman: Well, I can only comment that I think that the point is true. I can only comment that I think that it is not beyond the minds involved to devise methods which would make this less true.

Mr. Fortier: There are mutations and permutations...

Mr. Nobleman: Oh, I think there are an infinite number of them if the comparison is not too extreme. I think that what you are offering is parallel to the argument that the

family allowance has long ceased to serve its original purpose by being given to everyone. There are obviously differing degrees of need for family allowances. Now, I am quite sure that the National Health and Welfare will find it possible to come up with a means whereby the family allowances can be more equitably distributed in terms of need and I am sure the same could be true in terms of whatever form of assistance is devised in this area.

Mr. Fortier: Do you think you would qualify if a means test was applied to a publishing industry?

Mr. Nobleman: I think I would prefer to reserve my answer until I knew the nature of the test.

Mr. Fortier: A good answer.

Mr. David Fry, Secretary, Saturday Night: Those that don't require the funds, Mr. Fortier, would return half of them in the form of income tax.

Mr. Fortier: Mr. Fulford, you were making the point a little while earlier that at *Saturday Night* you attempted to lead public opinion. Do you feel that in so doing you are exercising a prerogative which is any different than that which belongs to the publishers of daily newspapers?

Mr. Fulford: No, I don't think so. I think that it is possible that a magazine of our type can, and I think *Saturday Night's* history suggests this is true, can lead public opinion, perhaps in ways that newspapers can't. However, there is no prerogative that we have and there is no reason why a daily newspaper shouldn't say anything that we say, or do anything. It is just that we are small and independent. We don't have that enormous bureaucracy and editors and executives that every large daily newspaper has. We don't have a chain that we belong to or anything of that kind. So for those reasons perhaps we are in a position to offer more free expressions of some views.

Mr. Fortier: Do you think belonging to a chain—you have opened the door and I feel I must go in—belonging to a chain for a newspaper impedes the progress of that newspaper or the impartiality of that newspaper?

Mr. Fulford: I think that it probably makes it harder for that newspaper to develop individual views and individual editors. I think that when the chains have taken over

the daily newspapers in Canada they have tended as far as they could to maintain the original character of the newspaper. However, that character was built when that newspaper was an individual newspaper and owned by one or two people, one family, let us say, and they developed under this one family, one ownership system, they developed those individual views and those individual editors. In a few cases very great and important journalists. Whether those people can be developed in a chain system seems to me very doubtful. I think even with the best will in the world on the part of the chains, I think they will find it very difficult to develop individually.

Mr. Fortier: Would you care to apply that reasoning to the *Globe and Mail* before and after F. P. acquisition?

Mr. Fulford: Well, in that case they have just left the same people in charge. What I am suggesting is that in 15 years from now, or 20 years, or 25 years from now it will be much harder to work up an individual point of view in each city, within each unit of the chain.

Mr. Fortier: That is a potential danger that you see?

Mr. Fulford: Yes.

Mr. Fortier: What is your opinion on the level of journalism in Canadian newspapers in Canada, Mr. Fulford?

Mr. Fulford: I think it is an awful lot better than I ever expected it to become when I started out. I think the newspapers that I read from Vancouver, Toronto and Montreal and Ottawa have improved in the last 20 years since I started as a journalist. I believe they have improved enormously and the quality of professionalism and professional pride of the journalist has increase enormously.

Mr. Fortier: Would the competition from television have anything to do with that improvement?

Mr. Fulford: It has a great deal to do with it. I think it has a great deal to do especially with developing individualists on the papers. People who speak in their own voices as individuals and people who are given freedom more or less to be themselves. Freedom to be themselves rather than being company men or a *Star* man, or a *Globe* man, a *Gazette* man—rather than being what they are themselves, and I think there are far

more of those people now in Canadian newspapers than there were when television began, and I am sure television has had a great deal to do with it.

Mr. Fortier: Do you find that the in-depth reporting in daily newspapers in Canada is adding a new dimension to daily journalism?

Mr. Fulford: I think it is. As like the difference between the newspaper I started with 20 years ago and the newspaper today—like the difference between a choir and a vaudeville show—thinking of vaudeville shows with affection rather than with disrespect. I think that in a choir around 1949 or 1950 when I started, everyone sang pretty well from the same score on any given newspaper, and today people come on and do their act, they come on and do their performance individually throughout the newspaper, and it makes newspaper reading a great deal more interesting than it was. It had to become a great deal more interesting and this is the way it has done it.

The Chairman: Do you relate that statement to the papers generally in Canada?

Mr. Fulford: The papers that I read.

The Chairman: Which are?

Mr. Fulford: Well, I see the Vancouver papers, I occasionally see the Winnipeg papers, the Toronto papers and Montreal papers, and the Ottawa papers. I don't see them every day, of course.

Mr. Fortier: You won't be seeing the Vancouver papers for a while, Mr. Fulford?

Mr. Fulford: No, that is true.

Mr. Fortier: What about the very indiscreet question given some of your friends in the room here—what is your opinion on the level of journalism in the magazine industry in Canada?

Mr. Fulford: Well, setting aside *Saturday Night*...

Mr. Fortier: Of course.

Mr. Fulford: I think that it has improved a great deal. I think that they are much better writers as a whole than they were 10 or 15 years ago. I think that the writers in the magazines in Canada—the few magazines that we have—it is hard to generalize—I think they tend to be again much more individuals, much more people speaking in

their own voices rather than working to a format. When I first started thinking of becoming a magazine writer in the middle fifties, there was considered to be about one way to write a magazine article and you were expected to learn that formula and follow it. Today there can be a great many variations on it.

I think that a very important contribution to this, just in the last few years, has been the development of a great many independent magazines which are amateur magazines. Amateur in the best sense, meaning from love. Magazines and newspapers which are put out by staffs who are either paid nothing or paid very little. Magazines like *Take One*, whose publisher and editor are coming tomorrow, and *Pop In* magazine in Vancouver which is an excellent magazine. It is one of the best pop culture magazines in the world which is put out in Vancouver. *The Mysterious East* down in Fredericton, the *Georgian Strait*, which is a newspaper format but very like a magazine in Vancouver again, and I think that these have made a very important contribution in that sometimes we get very sad about the periodical press on a national scale but we can take some consolation from the fact that these keep cropping up here and there across the country.

Mr. Fortier: Do these magazines or daily newspapers arise because of shortcomings in the existing magazine and newspaper industry in Canada and if so what are they?

Mr. Fulford: I think that in each case the ones I have mentioned deal with a specialized interest. A very special interest. In the case of the *Mysterious East* I would say that in Fredericton they are dealing with a very monopolistic press as they see it—monopolistic daily press and broadcasting and they express a small "1" liberal view in an area of the country where that view is not expressed as well as they would like to see it expressed indeed it is expressed at all.

The same with the pop culture magazine—*Pop In* in Vancouver. They look around and no one is saying the things that they want said and this is the basic reason for publishing. If you have something you want to say and someone to say it to—this is how a magazine comes into being.

Mr. Fortier: How long do these magazines survive, in fact, in your opinion?

Mr. Fulford: Well, when I went to *Maclean's* as a writer in 1962 I was told that

Maclean's had about six months to live by various people outside *Maclean's*. I look at the newsstands and it is still there so I am not taking seriously anyone's suggestion that this magazine or that magazine has only so long to live, or that such and such a kind of magazine is going to die. I think the *Canadian Forum* has been operating on a shoe-string budget for I think something like 50 years and it has made a valuable contribution to Canadian culture in that time without ever paying an editor or contributor a nickel.

Mr. Fortier: Is there such a thing as a national daily newspaper in Canada in your opinion?

Mr. Fulford: No there isn't.

Mr. Fortier: Is it possible to have one?

Mr. Fulford: So far as I know technology is becoming available but I think what we lack at the moment is the density of markets. If the *Globe and Mail* were to print in four centres across the country, they could deliver the same paper every day feeding it from these four cities or perhaps five cities. However, at the moment, there isn't sufficient money and sufficient market-place across the country to justify that, but I think perhaps there would be in 15 or 20 years.

Mr. Fortier: Do we have anything approaching a weekly national magazine or national newspaper?

Mr. Fulford: The closest we have to that I am afraid to say is the first few pages of *Time* magazine.

Mr. Fortier: You would go so far as to say that, would you?

Mr. Fulford: That is as close as we could get to a national magazine, a national weekly magazine. The *Financial Post* is a newspaper of course.

Mr. Fortier: Yes, that was the second part of my question. We have a weekly national newspaper.

Mr. Fulford: Yes, the *Financial Post* serves part of that function for part of the community, yes.

The Chairman: Why do you say "you are afraid"?

Mr. Fulford: I am sorry to say that.

The Chairman: All right, you are sorry. Why are you sorry to say it?

Mr. Fulford: Well, I would much rather see a national magazine published weekly in Canada right across the country which is owned and edited entirely by Canadians.

The Chairman: Do you share that opinion Mr. Nobleman?

Mr. Nobleman: Yes.

The Chairman: Do you share Mr. Nobleman's opinion expressed earlier that it is too late to have that happen?

Mr. Fulford: No, I don't think it is too late. However, I don't think he said that.

Mr. Nobleman: No, what I said was the action to remove *Time* and *Reader's Digest* from the Canadian scene was too late.

The Chairman: I see. You think it is possible?

Mr. Nobleman: I think it is possible given a whole pot of money, but I really question anyone's willingness or desire to deliver it.

The Chairman: Well, do you think this is possible to see this happen Mr. Fulford?

Mr. Fulford: Well, I think it is possible but I can't see the prospects for it on horizon at the moment. I think it is a very distant possibility. Given again a richer market perhaps, that it would be possible to find a place for more than one weekly magazine in Canada delivering a magazine of public affairs, and if there is a place for a second one I hope it is a Canadian one and I hope it can be done within 10 or 20 years.

The Chairman: Mr. Fortier?

Mr. Fortier: Are you through?

The Chairman: Well, if you would like to get yourself organized I would like to ask a question of Mr. Fulford.

Mr. Fulford, you predicted in September of 1968 the feud which eventually blew up in December of 1968 between Prime Minister Trudeau and the press. Were you editor then?

Mr. Fulford: Yes I was.

The Chairman: I have just been handed by Mr. Nobleman a leaflet entitled "We Told You So", and then you open it up and it says "Trudeau Puts the Press in its Place", and you are suggesting that *Saturday Night* predicted in September what happened in December?

Mr. Fulford: We predicted that there would be a lot of difficulty between the Prime Minister and the press.

The Chairman: Well, my question was what are you now predicting for the Prime Minister and the press?

Mr. Fulford: I am predicting a long winter.

The Chairman: Is that all?

Mr. Fulford: A long winter between the Prime Minister and the press.

The Chairman: Would you say it would be an interminable winter?

Mr. Fulford: No I don't think so. I think the winter will end when the press have to face the alternative.

The Chairman: Well, there are Senators on the committee who may not let that pass by.

Mr. Fortier: Given that prediction of a spring thaw, Mr. Chairman, I wonder if I could ask questions relating to the use of four letter words in *Saturday Night* which is quite prevalent. I was re-reading in your brief Mr. Sheppard's definition of the aims of the magazine as written in December of 1887. I was wondering how the use of four letter words in *Saturday Night* could be related to any one of those aims and whether it was a reference to "the most piquant and entertaining of any Canadian paper" or whether it was the reference at the end of the page that the magazine should avoid "anything that is scurrilous or improper."

Mr. Nobleman: Well, let me say first that I think the use of the term "prevalent" if you will forgive me, is a gross exaggeration. We have probably published in the last year a million words...

Mr. Fortier: Maybe I compared it with *Time* magazine.

Mr. Nobleman: Well, just let me say...

The Chairman: What four letter words?

Mr. Fortier: "Love"—l-o-v-e.

The Chairman: Well, let me just say in fairness to the witness that as a regular reader of the magazine I agree that the word "prevalent" is wrong. Perhaps Mr. Fortier would agree to substitute "occasional". How would you answer the question then?

Mr. Nobleman: We feel—and it is really an editorial question—I can simply say that from the standpoint of publishing policy we feel that we have an obligation to deal with the world as it is and as it is seen to be. And you know those words do exist.

Mr. Fortier: Well, I am not disputing that. I am asking the question on behalf of your readers?

Mr. Nobleman: They are not used just for shock value, and I would doubt that of those million words 100 would be four letter words other than love...

Mr. Fulford: More like 10.

Mr. Nobleman: Yes, more like 10. They might have been those that, in other years and in other times, might have been a source of shock or a source of offence.

The Chairman: As you have said, those words exist; but those words existed 50 years ago?

Mr. Nobleman: Right but the standards of taste change and the standards of propriety change and the standards of pertinence change.

Mr. Fortier: How does that reach you? This change in taste and this change in morals, and so on?

Mr. Nobleman: Well, I am not sure that I understand your question.

Mr. Fortier: How does it reach you eventually to the point where you felt that you must use these four letter words?

Mr. Nobleman: Well, let me point out that we were probably using those four letter words years before you noticed them.

Mr. Fortier: It could be.

Mr. Nobleman: The first use of the classic four letter word which I can recall in this magazine dates back a good five years and it was just quietly inserted into an article where it was totally pertinent and we received a grand total of one letter from one reader who noticed it.

Mr. Fortier: That was going to be my next question but I hope you understand that I am not critical?

Mr. Nobleman: No.

Mr. Fortier: I am asking the question simply because the comment has been made and we would like to hear from you what eventually led you to the use of these four letter words?

Mr. Nobleman: I am going to let Mr. Fulford tell you because it really is his area.

The Chairman: Well, as he is speaking perhaps he could answer another question which I think in a sense is a supplementary question.

When, in your opinion, can we expect to see these self same four letter words in the daily press in Canada?

Senator Macdonald: A supplementary to that. Can the four letter words be the same kind of language that is used by the high class elite clientele you say reads your magazine?

Mr. Fulford: Yes. I am acquainted with quite a number of the high class clientele who read the magazine and to my knowledge pretty well all of them use those words at one time or another. Sometimes admittedly only under duress, but all of them use them a one time or another.

Senator Macdonald: Well, excuse me for interrupting, but is your clientele as high class as you think it is?

Mr. Fulford: Well, that of course is a matter of opinion. As to why we use the words, I think it is just the simple recognition of the standards of the period. I think our readers are the kind of people that go to the plays and to the films in which such words are used all the time, and it seems to me as a journalist that there is no reason why journalism should be denied the use of these words where they might be effective if you can use them in the cinema and you can use them in a play.

At the Royal Alexander in Toronto a few weeks ago I saw "Hair" in which a whole skit is based on one four letter word. If they can have that freedom why shouldn't journalism have that freedom? I think it should. I don't think it harms anyone to read such words. A few people will object as Mr. Nobleman has said, but very, very few in the context of our circulation.

Mr. Fortier: Would daily newspapers be—I am using your word here—more effective if they used them?

Mr. Fulford: I don't think so. I think in a few areas of the daily newspapers they would certainly be a lot more in touch with the material that they were dealing with. For instance a book reviewer reviewing certain novels cannot quote sometimes a very relevant significant passage simply because he can't use the words that the novelist has used and which novels have now been using for the past 10 or 15 years.

The Chairman: May I just interrupt to tell the Senators who don't know, that Mr. Fulford was the book reviewer at the *Toronto Star* for a long time. How long Mr. Fulford?

Mr. Fulford: It was six years.

The Chairman: Six years. Fine. Carry on, please.

Mr. Fulford: At times in reviewing books, or films, or plays for a daily paper you find yourself in a curious position of describing and even appraising material which you couldn't begin to print, and sometimes you find yourself even in more of a peculiar position, where you are defending the right in a civil liberties court action for instance—an obscenity action, you are defending the right of people to print or say things that you yourself will not print or say in a daily paper. You find yourself in a peculiar position but on the other hand the publishers of daily newspapers believe that people of all ages read papers and that parents will be upset if they think their children will come across a four letter word in a daily paper.

Mr. Fortier: I am sure you are well familiar with the definition of obscenity as we find it in the Criminal Code. If you were asked to suggest a definition of obscenity as applied to material published in magazines and newspapers what would you venture?

Mr. Fulford: I wouldn't venture a legal definition.

Mr. Fortier: No, I don't want a legal definition.

Mr. Fulford: I would say that which is disgusting or repulsive to the reader who is reading it.

Mr. Fortier: That is a very subjective definition.

Mr. Fulford: Well, I believe that is closer to the dictionary than the Criminal Code gets actually.

Mr. Fortier: Well, how for example would the *Georgia Straight* which is a hippie newspaper which I am sure you have consulted and read on occasion—do you ever consider that any of their material is obscene from your point of view as you read it?

Mr. Fulford: No I don't.

Mr. Fortier: Would you term yourself an average small "I" liberal leader in Canada?

Mr. Fulford: Probably not, because I probably read a lot more of those things than the average person does because it is part of my work to do so.

Mr. Fortier: Do you feel that the average Canadian should be offended or would be offended if he picked up a copy of the *Georgia Straight*?

Mr. Fulford: I am not sure who the average is, but I think a great many people would be offended.

Mr. Fortier: Do you think that a line should be drawn by Parliament beyond which material does in fact become obscene from the legal point of view?

Mr. Fulford: No, I believe each citizen should draw the line for himself.

Mr. Fortier: Each citizen for himself?

Mr. Fulford: Yes.

Mr. Nobleman: I would like to add at this point that we are dealing in an area where the option of looking or not looking rests with the person looking. No one is forcing people to read the *Georgia Straight* and no one is making *Logos* compulsory reading. No one is compelling anyone to go and see "Hair". So it seems to me to suggest that there is a standard which is offensive to the community which is what a legal definition must be—when in fact it is not offensive to large numbers even though they might be a small minority of that community is an unreasonable and unwarranted point of view. If you are in a position to compel people to expose themselves to this language which they might find objectionable there might be a reason to react to a community standard of taste, but so long as it is up to the individual whether he reads it or not what is the pertinence?

Mr. Fortier: Well of course, I follow your reasoning. I don't have to go to a theatre, I don't have to read a newspaper, I don't have

to read a magazine, but there is a limit to that because I wish to be entertained and informed on the events of the day.

Mr. Nobleman: Yes, but you can certainly find by your own definition the daily newspaper which will presumably inform you without offending you in terms of the use of specific language.

The Chairman: You would not be in favour of the use of four letter words in the daily newspaper?

Mr. Nobleman: No, I didn't say that.

The Chairman: Well, would you be?

Mr. Nobleman: Well, I think that as Mr. Fulford has already pointed out it would be a hell of a lot more realistic on a lot of occasions if they did. I just used a four letter word and I never even thought of it.

Mr. Fortier: You have been reading *Saturday Night*!

Mr. Nobleman: For a long time.

The Chairman: Well, I wonder if I could perhaps just change the subject. You mention on page 4, section 8, the following:

"This, we feel, imposes upon us the obligation to ensure that a wide variety of opinions, and particularly a wide variety of conflicting opinions, are made available to our audience."

How do you meet that particular obligation, Mr. Nobleman?

Mr. Nobleman: Simply by publishing a wide variety of conflicting opinions. Let me cite a specific example. In paragraph 11 we describe how we have treated the question of the student radicals—we have published articles on student radicals which range the entire gambit from total endorsement to total condemnation.

The Chairman: Well, let us talk about national politics. I haven't read anything in the magazine which has been very good about Prime Minister Trudeau for some time. I have not read anything in the magazine which has been complimentary to Mr. Stanfield for some time, nor have I read anything in the magazine which has been complimentary about Mr. Douglas for some time. Where is the balance?

Mr. Nobleman: Well, is the balance solely a matter of time? The fact that at one stage you offer a ringing endorsement of a man and

subsequently offer a ringing condemnation of aspects of his behaviour constitute balance because the two are not related.

The Chairman: There are three national political parties in this country and I don't think I have read anything good about any one of them for some time.

Mr. Nobleman: Well, I am going to duck that because I don't have an answer to that but I think my editor's answer would be more pertinent.

The Chairman: Fine.

Mr. Fulford: Well, I think we had...

The Chairman: Does my question not have a little bit of validity?

Mr. Fulford: It does in terms of political life, but I am not sure that it does in terms of magazine journalism.

The Chairman: All right, that is a good answer.

Mr. Fulford: I think it is first of all the duty of a magazine to discover and discuss and to a large extent quite often oppose and sometimes make constructive suggestions, but when the magazine sees nothing particularly pleasing, or exciting, or to be admired in any political parties for a year I don't think that's very exceptional. I wouldn't agree with your facts exactly. For instance, we did an article last year on the labour minister which was really a very highly favourable article and in fact it was really written as almost a kind of discovery on Mr. Mackasey.

The Chairman: It was on balance favourable?

Mr. Fulford: Yes, it was on balance favourable.

The Chairman: But on balance?

Mr. Fulford: Yes. Well, it wasn't a song of praise but he did come out of it looking very good. As an another case, we have a new personality in Premier Schreyer and we certainly wrote about him in such a way—here again I don't think his public relations man would have written the way we wrote it, but I think one would discover from that article many admirable things about him and many focal things about his government. Perhaps with some of the other people you mentioned they haven't made that much news that could be commented upon.

The Chairman: Do you think the magazine is preoccupied with Pierre Elliot Trudeau?

Mr. Fulford: I think the country is preoccupied with Pierre Elliot Trudeau and the magazine is part of the country.

The Chairman: Could you discuss the comment you make at the top of page 5 about the journalism schools? It actually starts at the bottom of page 4 where it says:

"It is interesting to note that in the last 18 months no graduate of a journalism school has written for *Saturday Night*. This is not part of a conscious plan by any means. Rather, our guess is that journalism schools do not produce the kind of writer who turns into a commentator on cultural or public affairs."

I have two questions and perhaps I should put them to you, Mr. Fulford. The first one is (a) Do you think that that is a regrettable state of affairs and (b) Why does it exist?

Mr. Fulford: Well, first of all I should say that that was written in response to a specific question.

The Chairman: Yes, I realize that.

Mr. Fulford: From the guidelines of the Committee and I was just not drawing this out of the air. I was trying to respond to your inquiry about journalism schools. As I say, I guess our schools don't produce the kind of writers that turn into commentators on cultural or public affairs and my guess is that this is because the journalism schools are basically craft-oriented and that the kind of person who will turn into a writer for *Saturday Night* will probably come out of other university courses. He will probably be a university graduate and will quite frequently have a graduate degree, but it will be in some other discipline than journalism.

The Chairman: Well, now, what about these schools themselves? Would you care to comment on them?

Mr. Fulford: Well, so far as I know I have visited only a couple of them and basically the students, and so far as I know the staff, are simply interested in turning out a fairly standardized product, if you like. The person who writes for *Saturday Night* and indeed *Maclean's* is the person who breaks out of the traditional craft of journalism and goes towards some form of personal expression.

The Chairman: Do you think that the journalism schools—and here again I call upon your experience in the newspaper industry—do you think the journalism schools are doing an adequate job to service newspaper needs?

Mr. Fulford: I think that within the limits of their goals and the goals of their students they are doing a competent job. I think that within the context of journalism as a whole they are probably not, but I think perhaps journalism schools aren't the answer. I think perhaps they are not the best answer to the need for better trained and more professional journalists. I think perhaps in service training is a more important answer.

The Chairman: We didn't hear, or at least I can't recall hearing any comments or questions or observations about government advertising until last week. We had the ethnic press complaining about not receiving sufficient advertising and this morning we had the farm press complaining that they did not receive adequate advertising from the government and now we have you at page 9 saying somewhat the same thing. You say:

"Even here where *Saturday Night* would frequently appear to be an ideal medium for the message which the Government is attempting to convey, it is obviously most often a last buy."

You will want to give some examples, but why do you feel that *Saturday Night* is the ideal medium for Government of Canada advertising?

Mr. Nobleman: Well, let me pick a very specific example. Independent research conducted on behalf of the magazine industry demonstrates that the readers of *Saturday Night* are more likely to purchase Canada Savings Bonds than the readers of any other publication in the country. The only publication covered in that study which did not receive advertising for Canada Savings Bonds was *Saturday Night*.

The Chairman: Why?

Mr. Nobleman: I am afraid that is an answer I can't give you.

The Chairman: Should we put that to the Magazine Advertising Bureau?

Mr. Nobleman: Well, considering that Mr. Crosbie is attempting to go to bat on behalf of a large number of publications and considering that he was successful in all but one

case I could hardly think you could cite that as a failure of the M.A.B.

The Chairman: Please believe me I am not suggesting that it is. There is something strange somewhere.

Mr. Nobleman: Well, there is. I don't think it is a failure either of the advertising agencies involved as a whole because the advertising agencies involved as a whole are users of *Saturday Night*, but it is I think a reflection on what was pointed out earlier and that is where the product appears to have a potential of being sold in the mass the first instinct of the people buying advertising is to attempt to buy advertising which appears to have a mass appeal. This tends to totally disregard the fact that some people are measurably better prospects for a given product or given service than are others. If you simply look at it in terms of the numbers that are involved, and mean numbers—never mind whether the people buy the thing or not—then you wind up in a situation where the magazine which produces the audience most likely to buy the thing doesn't get the advertisers.

The Chairman: That is true of government advertising generally in your case?

Mr. Nobleman: Well, I think it is true in a very great number of cases. I think the classic example—one of the other national advertising programs we got this year—we received a single page, literally every other publication carried it and they all received at least two and one got six pages.

The Chairman: What was that?

Mr. Nobleman: That was a campaign for the Manpower and Immigration Department.

The Chairman: And when was that, Mr. Nobleman?

Mr. Nobleman: Last fall. I must say that it does tend to create a fairly high level of frustration when you take what you consider to be really a very strong case in and you still wind up coming out on the short end of the stick.

The Chairman: Have you made representation to the Government on it?

Mr. Nobleman: Yes.

The Chairman: To Ministers?

Mr. Nobleman: Yes.

The Chairman: To no avail?

Mr. Nobleman: No.

Senator Macdonald: To Mr. Trudeau?

Mr. Nobleman: No.

The Chairman: Well, the Ethnic Press went right to Mr. Trudeau so they were far more aggressive than you have been.

Senator Macdonald: To get back to these postal rates—I just don't quite understand. On page 11 in item 19 you say:

"The effects of last year's postal increase have been devastating. The increase in postage for *Saturday Night* for magazine mailing purposes is over \$15,000 per year."

Then you go on to say at page 13 that you raised your subscription \$1 a year. I take it your mail subscription is about 90,000

Mr. Nobleman: Right.

Senator Macdonald: That means in about another two years you will be getting \$90,000 extra?

Mr. Nobleman: Yes. However, it will take us two years to put ourselves in the position where we could recover a postal increase which we had to pay from the day one.

Senator Macdonald: Well, it is going to be a pretty nice thing to have \$75,000 extra isn't it?

Mr. Nobleman: Sir, at this point in time, the effect of paying that \$15,000 is such that it puts a pretty severe handicap in the way of our getting to the point where we get the benefits from the \$90,000.

Senator Smith: This reference is in relation to your lack of adequate working capital, is it?

Mr. Nobleman: That is right.

Senator Smith: Is that the point?

Mr. Nobleman: Yes. It is \$15,000 which we have had to find from within the very limited capital resources which we have had. The other aspect which I point out, and we have also mentioned, is that we went immediately to the full rate because the weight factor just doesn't enter into our situation and the introduction of a minimum rate per unit was the rate on to which we went immediately and

the effects on us were much more marked in proportion, I suggest, than they were in the case of those publications which were happy enough to benefit from the weight provisions.

Senator Macdonald: The witness this morning took the stand that the post office should operate on the principle that it is there to carry first class mail and that the only charge for other types of mail should be any extra costs. Would you go along with that?

Mr. Nobleman: Well, I am not sure, particularly with reference to third class mail, which is also a particular problem for us. If I were running the post office I would necessarily subscribe to that view, but I do feel and I know it has been a constant subject of controversy for this committee, I do think the calculation for what it actually costs the post office to carry a piece of second class mail which we must deliver to the post office, pre-sorted, bagged and ready for shipment, simply doesn't involve some of the charges which are laid against it.

Mr. Fortier: Are you paying your way?

Mr. Nobleman: Sir, I will bet that we are closer to paying our way than anybody in this room simply because we are getting whacked at a rate which is higher in proportionate terms to anybody else.

Mr. Fortier: Your select list of readers—would they not have agreed to pay \$5 a year instead of \$3.50?

Mr. Nobleman: Mr. Fortier, you wind up in a relatively critical vicious circle again. If we could generate the kind of income that would allow me to give the editor a budget which is really proportionate to their needs, I have no doubt that our readers would pay \$5; but the problem is that we produce a magazine which is in blunt terms a very skimpy product in terms of the total number of pages we deliver. It is, I think, and I will admit not only to being prejudiced but to being bigoted on the subject, I think it is a superbly well-produced magazine given the resources which we have.

However, when one tests the market given the nature of the product we feel we are charging the market as much as it can bear and with no disrespect whatsoever, I would point out that our rates for subscriptions are 75 per cent higher than *Maclean's* magazine for a magazine which generally averages half the number of pages. Now, that is a pretty easy comparison for a person to make.

Mr. Fortier: For a magazine which is distributed from Newfoundland to British Columbia and also, though specifically I have not seen the figures, widely distributed in the Province of Quebec.

Mr. Nobleman: Not really. Over 85 per cent of our circulation in the Province of Quebec is confined to the City of Montreal.

Mr. Fortier: To the City of Montreal?

Mr. Nobleman: Yes.

Mr. Fortier: Have you ever considered—and if so, why have you dismissed it—the possibility of opening up some four or six pages in your magazine to articles in the French language?

Mr. Nobleman: Well, we went further than that, Mr. Fortier. For four issues we published a French language version of *Saturday Night*.

Mr. Fortier: When was that?

Mr. Nobleman: That was commencing April 1968 through January 1969.

M. Fulford: *Parallèle*.

Mr. Nobleman: *Parallèle*. Now, we found that we just again did not have the resources to sustain that effort. We simply couldn't. We had to confine it to the news stand because we simply did not have the necessary capital to set up an organization to handle subscriptions which would have meant staffing a Toronto office or a Montreal office with French language personnel.

We found we were hampered to a considerable degree in getting this editorial material which was heavily, heavily planted in precisely the area of which you are speaking—it was a principle of parallel issues of *Saturday Night* that half the material was to be written in French and half originally in English and the appropriate adaptation made for the other language. We simply did not have the resources to continue to call upon people to provide the material to us of a quality which we felt was commensurate with the magazine. We found that we could not afford the services of people who could adapt—and I use the term advisedly rather than “translate”—adapt the material so that it was precise, idiomatic, and so on. The net result was we simply had to give the effort up.

Mr. Fortier: Mr. Peter Desbarats was an associate of *Parallèle* wasn't he?

Mr. Nobleman: He was the editor of *Parallèle* when it was an English language magazine.

Mr. Fortier: Which I recall, and then you say it became a French language magazine?

Mr. Nobleman: We bought the list of *Parallèle* when it ceased publication and we added the English subscribers to the subscription list of *Saturday Night* with their consent, I might add, and used the name in its French language version *Parallèle* to produce a French language publication. This was one of our intentions at the time we made the acquisition. Again, the situation was just beyond us economically.

Mr. Fortier: Did you lose your shirt?

Mr. Nobleman: No, we actually broke even on the four issues of *Parallèle* which we published, but the point was to actually make any money out of it we would have had to invest capital which we did not have and it was beginning to be a real drain on the resources of our editors. I mean, the physical resources of our editors.

Mr. Fortier: I remember picking it up and I don't recall ever seeing reference to the fact that *Saturday Night* had purchased the English *Parallèle* and was now publishing it in French.

Mr. Nobleman: Other than the mat head reference there was none. The only point of similarity would have been if someone who was familiar with the English language version would have recognized that the material was fundamentally the same except in the other language.

Mr. Fortier: What lesson have you learned in this process?

Mr. Nobleman: I am certainly not going to try to publish in the French language unless I have sufficient capital to be darned sure of my English base.

The Chairman: Could you tell us about what Mr. Arnold Edinborough describes on page 7 of your January issue and I quote:

“A terrible year of ownership by a bunch of social credit promoters.”

Could you tell us about that year? Were you there?

Mr. Nobleman: No.

The Chairman: If you weren't there that is perhaps an unfair question to ask you unless you would care to comment on it?

Mr. Nobleman: I would prefer to let it stand by the author's terms.

The Chairman: Fine. Mr. Edinborough is connected with the magazine but he is no longer one of the owners, is that right?

Mr. Nobleman: That is right. He is connected in an honorary capacity.

The Chairman: And I gather from this article that he is going to contribute on a monthly basis?

Mr. Fulford: Yes, contributing regularly. He is on his own now as a writer.

The Chairman: And he is no longer part of the ownership structure?

Mr. Nobleman: No, he is not.

The Chairman: I have only one other question. Perhaps if the senators don't have any, we could perhaps adjourn until 4.30, but I would like to ask about advertising sales which is your field, Mr. Nobleman.

You talk about the fact that *Time* has nine people, *Reader's Digest* has eight, *Chatelaine* has ten and I believe you say you have two.

Mr. Nobleman: Three.

The Chairman: Three, I am sorry. Two in Toronto and one in Montreal?

Mr. Nobleman: Right.

The Chairman: Are those three salesmen paid as much money individually as the nine salesmen from *Time* and the ten from *Chatelaine*?

Mr. Nobleman: Do mean man for man?

The Chairman: Yes.

Mr. Nobleman: At the sales management level, probably yes, At the sales level, probably no.

The Chairman: Whose advertising salesmen are paid the most money in the magazine industry?

Mr. Nobleman: I haven't the faintest idea.

The Chairman: You don't know at all?

Mr. Nobleman: No, I don't.

The Chairman: Well, perhaps we can talk to the Magazine Advertising Bureau about that. Do any of the other senators have any questions?

Senator McElman: Mr. Nobleman, I noticed in your February issue your advertising is one-third of total content?

Mr. Nobleman: Right.

Senator McElman: Isn't it pretty light for a magazine?

Mr. Nobleman: It sure is.

Senator McElman: I notice as well that the advertising seems to fall into several distinct categories such as travel, liquor, the availability of high class books, and one small ad for flowers. Is this what you go after?

Mr. Nobleman: Yes it is a direct function of the limitations of our manpower. As an operating principle we have our sales people, limited in numbers as they are, work by advertising categories. That is to say, we have a man covering the automobile manufacturers regardless of geography. We have a man covering liquor accounts, we have a man covering travel accounts. Now in our experience the kind of expertise which a salesman can develop, if he is concentrating in two or three areas only, is such that he goes some distance towards overcoming the competitive disadvantage which is inherent in not having the same number of people. Now, our problem in advertising terms is very simple. We have consistently maintained our share of the total number of advertising pages run in those advertising categories where we can deploy an individual to work in that category. We get clobbered, and I use the term advisedly, in those areas where we cannot deploy a person to work in the category. If we take the eight categories where we specifically have salesmen operating, our share of total advertising space is quite consistent but our percentage of all other advertising pages has been declining on a steady basis for four years.

Senator McElman: It struck me that with the readership that you have—for instance, clothing would be an ideal type of thing to advertise?

Mr. Nobleman: Well, we agree but the problem is simply this. The sales problem in terms of time to secure a clothing advertiser is widely disproportionate to securing say liquor advertising or automobile advertising

or travel advertising. With the very limited number of people we have, we have made a cold judgment that we cannot afford to deploy someone to chase clothing advertisers. We just can't afford the time.

Senator McElman: I was going back in my mind to your earlier comment about the M.A.B. where some of the advertisers who have their art work produced for other magazines where their heavy costs have been written off in this fashion, and I was wondering why M.A.B. wouldn't be able to get high class clothing advertisements for a publication such as yours?

Mr. Nobleman: Well, I think you mistake the function of M.A.B. in that particular context. The function of M.A.B. is to sell the industry as a whole. I think that it would be a very, very dangerous situation for M.A.B., which is after all a coming together of a wide variety of people—if they were to place any undue emphasis on any single medium or any single magazine within the medium. I think it is a little unrealistic to suggest that it is M.A.B.'s function to steer any specific advertising in our direction. I don't expect this and I don't believe any of the other publishers expect this. Where M.A.B. serves is in creating the basic awareness of magazines as a medium.

Now, it then becomes our function at the individual level to go out and sell the suitability of *Saturday Night* who carry the specific advertising program which M.A.B. may have brought into the magazine area. To be very realistic about it we have, I think, a much tougher sales problem than do some of the other magazines because the degree of identification of the nature of the audience of some of the other magazines is much more ascertainable than it is for *Saturday Night*. If you say to a buyer of the advertising medium, *Time*, what is its audience? He responds with a certain conception of the audience. Ditto *Chatelaine*, ditto *Maclean's* and ditto most of the other publications. We are in the position where the audience in demographic terms, in terms of education or income or distribution is much more amorphous and we have to interpret what is essentially a psychological link between the magazine and its readers.

This is relatively more difficult to do and is compounded by the fact that the heavy emphasis on the buying of television has made most media buyers mainly conscious of

buying numbers. The greater the numbers, the more effective they assume their advertising to be. We are bucking two trends with relatively inadequate resources. We are bucking the fact that *Saturday Night* is roughly a tough proposition to sell and we are bucking the trend still existing in the purchase of media which says that big numbers are per se better than small numbers for advertising purposes. Now, I think this is mistaken and we spend a great deal of our time attempting to convince the buyers of advertising that this is a mistake, but here again the very limitation on the numbers of people we deploy to do this job effectively reduces our ability to convince these people that they are mistaken.

Senator McElman: On another topic it has been suggested to the committee by more than one witness, I believe, that daily newspapers are trending towards more of a magazine type of reporting. Do you sense this as a threat to your future?

Mr. Nobleman: No. I think the statement is accurate but we do not regard it as a threat to our future. It simply means that the kind of highly specialized coverage which we give to specific areas becomes that much more pertinent.

Senator McElman: I am sure you are familiar with the developments in technology which suggest that perhaps within five years we will have in workable form, using coaxial cables (forgetting about the laser beam and its tremendous potential) we will have the capability of having probably the maximum of 70 or 80 channels with great selectivity. As to the approach taken on a channel, and which direction it takes, and so on, do you see this as a real possibility, not as a threat to magazines but as new form for magazines.

Mr. Nobleman: Well, I would certainly hope that it will so develop. I think that if we cannot take advantage of the technology which is developing in the area of television transmission, to do what in fact the Minister of Communications suggested and that is reach out to people on a much more individual basis than a television network is able to do, we will have missed the purpose of this particular technology.

It is a development which we agree will happen, which we think should happen and which we heartily concur, but I would point out that the programming even on the selective basis on those cable outlets will be at an

extremely local level unless there is developed a really concrete form of interchange of program material. We would suggest the necessity for national media, which can provide the unifying thread in terms of the kind of material that *Saturday Night* provides, will become more essential rather than less as audiences are fragmented by cable television.

Senator McElman: As one of the leading and more respected periodicals in Canada are you actually looking at this field now? Are you looking at this field now with the prospect of it being on us within a very short period of time?

Mr. Nobleman: Well, we are looking at it and I suppose the best adverb to use as to how we are looking at it would be wistfully. We feel that the kind of expertise we have developed, if you will, in programming a magazine of this kind will give us a national entree into the programming of some of the select media. If we can find a suitable and satisfactory means by which we can transfer that expertise into the cable area we are willing to make every effort to do so.

Senator McElman: Thank you.

The Chairman: Are there other questions the senators have? If not I would like to thank our guests from *Saturday Night*, Mr. Nobleman, Mr. Fulford and Mr. Fry. I personally have been a reader of *Saturday Night* for as long as I can remember and I hope I will continue to be a reader far into the future. It has been a very useful session and of particular interest to me, and I think we have all enjoyed it and benefited from it. We have appreciated the time that you have taken to be here and all in all we are very grateful. Thank you.

Mr. Nobleman: Thank you.

The Chairman: Honourable senators, I will call this meeting adjourned and we will resume at 4.30 p.m. with Senator Grattan O'Leary.

—A short adjournment.

—Upon resuming at 4.30 p.m.

The Chairman: Honourable senators, if I may call this session to order.

An introduction is hardly in order so perhaps I will confine my observation to say that to me personally one of the highlights of this entire series of hearings is the presence of this particular witness. Having said that, Senator O'Leary, and having said it most sin-

cerely, if you would care to sir, make some opening or introductory statements and then following that we would like to ask you some questions.

Senator Grattan O'Leary: Thank you very much, Senator Davey, for the kindly warmth of your introduction. I have prepared no brief as we understood this, but I have jotted down here a few rambling observations and if you will bear with me until I deliver them I will then submit myself to your mercy.

The Chairman: Thank you.

Senator O'Leary: Well, Senators and ladies and gentlemen, when you first brought this matter to the attention of the Senate I don't need to tell you that I was not too enthusiastic about it. However, I must say to you frankly, having followed the proceedings of the committee as well as I could from the press and from attending one or two sittings, I think this committee is doing and has done a splendid job.

The reason I say that is you have made the press look at itself, you have made it look inward and to get away from its state of euphoria. My distinguished colleague, Mr. Norman Smith, has mentioned this already and to get away from its complacency, and I think there was complacency within the press organization. To get away especially from those venerable sanctified clichés about press freedom.

I have often asked myself listening to newspapermen at their gatherings just what they had in mind about press freedom. Press freedom, of course, is not an absolute. The freedom itself is not an absolute. We know this from our libel laws for example. We hear a tremendous lot in recent times about the press being the trustees for the public, trustees for what they call the people's right to know. Now, I accept and believe with some qualifications what is meant by the people's right to know, but I ask myself, and I have asked this question often, how do you make that right meaningful? Do you accept government handouts? Human nature being what it is and politics and parties being what they are, you just can't accept government handouts as the truth. Well, what do you do? As a newspaper all you can do is to try to secure examination of those reports, a searching analysis, if you will, of those reports by the reporters which you employ at a newspaper. But what if these reporters are not competent? What if they can't give to those reports,

the searching analysis which they deserve or should have, if you are going to carry out the people's right to know. What, I ask again, if they are not competent to examine, and what if they are lacking in integrity?

Mr. Stanbury who has just been placed at the head of our information services said, I think yesterday, and this disturbed me, I must confess, that he was going to use television more than other channels for dispensing information about what the Government was doing. Well, I have wondered, and I wondered when I read it, just how Mr. Stanbury's television would have handled Mr. Benson's White Paper. Would the gentleman on television have told us, would he have admitted as Mr. Benson is now admitting that some of it may be unworkable? Would he have said what some of our critics, industrialists, financial men and politicians are saying about this White Paper now? I am afraid he wouldn't. I may say in passing that I didn't consider the handling of his White Paper by the press very competent. For weeks on end they personalized this document. We didn't hear as much about the White Paper as we heard about Mr. Benson. Day after day, almost ad nauseam, we had pictures of Mr. Benson and his pipe but very, very little explanation of what was in the White Paper. Now, maybe this was inevitable, but I fear if you are going to give out government information and information on what the government is doing by television you are letting yourself in for a lot of trouble.

I hope, sir, that when you come to make your report that you will deal with more than the press; that you will deal with communications as a whole. What we are getting now in the way of communications is we are getting people who seem far more concerned with how they are communicating than with what they are communicating. There is an Alice in Wonderland quality in communications that we hear night after night. I have convinced myself that today through television we are getting superficiality, we are getting false dimensions of reality, and we are getting matters which confuse and mislead the public. Lord Macaulay once said that parliamentary government was nothing but government by talking, but I think if Macaulay were alive today he would say that democratic government today is largely government by communications. It has a tremendous importance to us.

I must say that it disturbs me and frightens me to see reporters—they call themselves newsmen now—reporters out in the hallway of Parliament sticking microphones into the faces of politicians and getting them to say things “off the cuff” and off the “top of their heads” which can only escape condemnation by avoiding comment. This goes on day after day and you are coming now to the point where television seems to be more important than Parliament—not what they are communicating, but how they are doing it. What Mr. McLuhan is saying, and I think with some truth, that the medium is more important than the message—this is what is happening.

People don't sit down before the television set—not all of them—to listen. They sit down to look and what they hear, or think they hear, is gone with the wind. There is no record of it. There is no record by which you can check it. You can of course go to the C.B.C. or the other stations and get a brief the next day, but if you are sitting out on a farm in a farmhouse in western Canada and you hear some alleged authority on television telling you what is wrong with the world and giving you all the answers—how do you check them? This is the difference between television and print. You can check print but you can't check television. I who listen a lot to television—I listen to Viewpoint, for example, and if you want to be frightened really, not so much by misrepresentation but by superficiality and sheer ignorance then listen to Viewpoint. Listen to some underpaid university professors going on TV and telling you in eight minutes what is wrong with the whole universe and what we should do to correct its behaviour.

This is one of the dangers of communication which I am frankly afraid of. The result of all this of course is the tremendous amount of confusion, and doubt, and fear in the public's mind. The press is not wholly blameless.

Let us look and try to remember what happened when peace came in Biafra. The U.N. had observers there who reported back to their governments that things were not as bad as they seemed—that there was no widespread hunger, no widespread famine, little rape—not any more than you would expect at the end of a war when the occupation force enters the country—and so on. On the other hand, you had 80 reporters who went in there and reported exactly the opposite. They reported famine, death, pestilence, rape and what have you. Now, who and what

is the public to believe? Because of this sort of thing and because our communications are in such disarray people are becoming afraid. People everywhere are asking what is the waning of faith in our institutions and there is a waning of faith even in our churches. People everywhere are asking what is the truth? Some are asking what is truth, and like Pilot they are not staying for an answer.

This is a dangerous thing in a society. I hope, sir, that when you come to make your report you will try to treat that danger. To say that television is better than the press or that the press is better than television, or the press has this fault or the other is not good enough.

I was delighted to hear the editor and publisher of the *Toronto Star* saying here the other day that you were not going deeply enough. I don't know whether you are or not, but the very fact, that he, the publisher of perhaps the largest and most influential paper in this country or indeed North America, would come here and confess to you that he didn't think you were going deeply enough into this subject, is in itself, a wonderful thing to me.

You have had some come here, I will admit, who have said "Everything is for the best, the best of all words", but that isn't true. The ablest people you have had here have admitted that things are not all well in the press; that things are not all well with communications and this in itself is a good thing. If you follow up with that and show where and how and in what measure things are not right with the press, with television and in communications, I think you will have served a very useful purpose.

I have been one of those who have preached nearly all my life that the press are relying too much upon this cliché about press freedom. They seem to think—a lot of the people think—that a journalist has some special privilege in society. This is nonsense. I, as a journalist, have had no more privileges and no more rights than the humblest citizen in the land. I heard one gentleman here the other day say that he thought that press freedom should be enshrined in the Constitution as it is, he said, in the Constitution of the United States. The gentleman is wrong. It is not enshrined in the Constitution of the United States at all. All the U.S. Constitution says, I believe it is the second amendment, is that there shall be no interference with free speech or the press. "Free speech or the

press"—the press came last and all they meant was that my right as a citizen to speak my mind openly, regardless of the state, regardless of the police—that that right should be extended to the printed word as well. The little printer in his garret or wherever he may be has just as much right, just as much privilege as the publisher of the largest newspaper.

Freedom of the press was not one and was not laid down for the sake of large newspapers. It certainly didn't guarantee them to make a profit and when these men come and say to you as I have heard them say "we are the trustees of the public right", I think a fair answer is, "who appointed you? If your paper failed and went out of business, who takes your place? Who takes your place as trustees for the public right?" In any event, I have also preached this. Even if we admit, even if we believe that we have some special privileges it follows that no privilege includes the right to injure the society granting it. I think that is a fair criticism of some sections of the press. You can't take a cliché about the freedom of the press and then go and invade private rights. You can't invade privacy. You can't print things that injure the individual.

Another thing which I reject completely is the claim that a reporter has a right to protect his sources. He can go out and injure some man's character and he is sued and brought to court for defamation and when he is asked by the prosecution "Where did you get those facts on which you based those statements you made", he says "Oh, I must protect my sources." My friends, this is nonsense. This is dangerous nonsense. He says "I have the same rights as the priest in the confessional or I have the same rights as a doctor with his patients", and that is sheer nonsense. The priest doesn't walk out of the confessional and indict the man who confessed to him, and a doctor doesn't go out and tell the public how one of his patients contracted syphilis, and so when you put power like that into the hands of an individual—the power to go out and ruin a man's character, to ruin his reputation, to ruin his place in the community then you are putting terribly dangerous power in the hands of those men. What if he has no sources? Lord Northcliffe asked that in England not long ago. What if the reporter has no sources? He can say "Well, I must protect them"—but he ruins the man's character in the process.

These are things that I really have been opposed to all my life. God knows I believe in press freedom, God knows I believe in freedom, but freedom limited by the needs of society.

The constant task of every government has been a redefinition of rights. They have done it and they have done it by action and by laws and when they cry about censorship, every law on the statute books is the censorship of something or somebody. Why these words by which we frighten ourselves? Loss of freedom, lack of freedom, censorship. Censorship has always been necessary in civilized society and it always will be necessary.

Now, I am sure that some of you are going to ask me, what about your report on Canadian magazines? Well, very well. What we did about Canadian magazines—and I will be very brief in this—we simply started with the proposition that a society, a community, a nation deprived of searching criticism of its own, among its own and by its own, had within it, seeds of decay.

I have always believed that there are three things in a nation that a nation must protect. It must protect control of its banks, it must protect control of its transportation and it must protect and keep control of its communications.

In the last speech he ever made John F. Kennedy speaking to the Newspaper Society of the United States said that a nation's protection of its communications was as vital as its protection of its defence. This is true. That was all I meant when we made this report and I think, sir, you have read this report, and I submit to you, and I hope without immodesty that what we recommended there—what we said there—what we predicted there has not been dealt too hardly by events.

I must add this though. If I were making that report today, I would have had one qualification—the qualification that our Canadian periodicals should be more Canadian than they are today. Maybe they have come to their present position because my recommendations were not accepted, but we said in our report that we had no desire whatsoever to provide a storm shelter for inferior Canadian magazines; that we had no desire to provide sanctuary for mediocrity.

I read some of our so-called Canadian magazines today and I think that in recent weeks, recent months, the new editor of *Maclean's* has made some improvement in it, but I have read prints of it in the past only

recently and that magazine might just as well have been published in San Francisco or Timbuktu or New Orleans. They were not Canadian. When I made my report *Maclean's* magazine had a correspondent in Ottawa—its Canadian editor and a very able one, the late Blair Fraser. It had a correspondent in Washington and a correspondent in London, and it was within its ability and its financial capacity trying hard to explain and to interpret Canadian life to Canadians. That is not true today.

I pick up a recent copy of *Maclean's* magazine and what do I read? That modesty has more sex appeal than nudity. It has given itself over to the sort of people you now hear talking—youngsters and sometimes oldsters who think that four letter words is all that sex means. This is what we are getting in this country. The loss of faith, a crisis of faith and a crisis of the meek, and I blame it largely on television and some of it on the press.

Now, it is up to you, sir, to provide the remedies if you can. That is all I will say now—I could say more but I would keep you here all afternoon. Now, I throw myself on your tender mercy. Fire away.

The Chairman: Senator O'Leary, speaking only for myself, I could sit here and listen all afternoon and dispense with the questioning period but I think that would be unfair to you.

Senator O'Leary: Well, Senator, as I told you outside I hope you have the number of the Exclusive Ambulance, because I am tired.

The Chairman: All right, we will turn to the question period. This morning we had a witness before us who somewhat apologetically said that he was a small "c" conservative and Senator Macdonald immediately spoke up and said that he would have no objection if he was also a big "c" Conservative. Therefore, we thought this afternoon we would have the questioning started by a big "c" Conservative. Senator Macdonald?

Senator Macdonald: There is so much I would like to have your comment on in view of your experience in the newspaper business. It struck me while you were speaking about reporters, do you believe that the press gallery adequately report of the events in Parliament?

Senator O'Leary: I am afraid I would have to answer, no. Now, mind you there are extenuating circumstances. It is not so easy to

always get the right people, the most competent people to represent you in the press gallery. What I feel about the press gallery—and I was in it 55 years ago and I am an honorary life member of it—it contains some very brilliant young men. But if you read Hansard and if you are a very small part of Parliament as I am, you do get the impression that this is not an adequate picture of Parliament. I think there is too much of a tendency to treat Parliament as a clique, a scuffling clique where opponents are game-cocks fighting each other. You get this reported day after day and to my surprise I see in the press, time and again, criticism of the question period which they think is a waste of time. The question period is the very heart of Parliament. This is the place where the Queen's ministers have to stand up and answer questions. I would extend the hour in Parliament myself. I know some of the questions are repetitious and I know some members, unfortunately, don't quite know how to ask a question but you must put up with that. These are the sort of people we send to Parliament and they are there. They are there to check the Queen's Estimates and they are there to find out what the Government proposes to do. So for God's sake, let them ask the questions and try to encourage the thing. Now, this is my criticism of the press gallery at the present time.

Sometimes—and I took this up the other day with my friend and colleague, the editor of the *Journal*—I think there is sloppiness in journalism. I will give you two examples. One was a young gentleman, and this was a by-line. (Mind you we have an inflation of by-lines. It used to be that a man had to have a column of distinction to get a by-line and now you are liable to find that the office boy has a by-line). However here was a young man I presume of experience and he was reporting the Liberal Convention which he listed Mr. Bourassa as leader and he made this statement. He said, it is believed that Mr. Bourassa would give to Quebec if he becomes Prime Minister—would give the same efficient Government that Mr. Trudeau is giving Canada. Now, for all I know Mr. Trudeau is doing all right. I don't know because I am working myself dumb in the Senate, but this is what this young man said. Now, that was in a Canadian Press dispatch and given to perhaps a hundred daily newspapers in Canada, and that is bad reporting.

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Just last Saturday—I have forgotten what was being discussed, but this gentleman reverted for some reason to the Munsinger trial and he spoke of this lady as having had relations, he said, with several of Mr. Diefenbaker's cabinet ministers. Now, for all I know she did. I don't know. But the point is this. There were two ministers mentioned but, well, I know that and you know that but what impression would the man sitting out in a farmhouse on the prairies get? The impression that this lady had had relations, presumably sexual relations with several of Mr. Diefenbaker's ministers. That statement got away. Who in the Canadian Press failed to edit it?

Now, I know that the Canadian Press has some estimable gentlemen and I know they try to be fair and I know they try to be objective—although I object to that word because nobody is objective. I have never been objective in my life and I think it is nonsense to try to be objective. You are influenced by your background, your education, your environment, your prejudices, and I am full of them. I find it awfully hard to write something objective, but there was a statement of fact—that this lady had had relations with several of Mr. Diefenbaker's cabinet ministers. Now, if there had been any kind of an editor on the desk he would have killed that, but he didn't. These are two examples, and I see Mr. Metcalfe sitting down at the back of the room and that appeared, Mr. Metcalfe, in the *Ottawa Journal*.

Does that answer your question?

Senator Macdonald: Let us get away from the reporters on newspapers.

Senator O'Leary: Good.

Senator Macdonald: Would you care to comment on the reporters for TV and radio?

Senator O'Leary: You mean the general reporting?

Senator Macdonald: Yes.

Senator O'Leary: What they put on Saturday night, for example. They have this program on Saturday night called Weekend. I think it is deplorable. I have listened to it and watched it on Saturday night and if I may use this language in the presence of ladies it was all damned nonsense. It is utter tripe. And yet, you have this program which I understand is costing a great deal of money but why they are running it I don't know. It

certainly was giving false dimensions of reality. This is not reporting, objective or unobjective. It is just stupidity. It is just incompetence and that is all it is and it is nothing else. It often results in unfairness.

Senator Macdonald: There was a witness yesterday who said that on account of TV giving sort of instant reporting that the so-called objective reporting for the newspapers has gone and that it must be interpretive reporting.

Senator O'Leary: Well, I am afraid that as far as I am concerned I can see no other future for the press. Now they are talking about—and this is terrifying—they are going to have 24 hours of broadcasting—news on the hour every hour for 24 hours, and of course this is just silly. There isn't that much news in the world to start with. A lot is happening but not every hour on the hour.

Now, the newspaper's functions, surely, is to try and give what we call the news behind the news. To try to explain, to interpret, and I see no other future for the newspapers. What is the sense of coming out at 2.30 in the afternoon with a flair line about something which has been on the radio since eight o'clock in the morning. Now, I will grant you that interpretive reporting is going to be a difficult thing. You need to get people who can interpret but they are not always available.

Really what it means is not only more education for reporters but more education for the public. Once the public is educated to the point where he can detect flaws in the press then the press is bound to respond, but that is our role and I see no other role for the press. Editorials are not enough. They must be supplemented by interpretive reporting. This again gets back to human prejudices, human follies, and so on, but you will never get a perfect press.

Senator Macdonald: You mentioned the fact about inflation of by-lines. Do you think that there should be a by-line so that perhaps a reader would know that a reporter is prejudiced or has strong views on something and then the reader could judge?

Senator O'Leary: Well, Senator, I doubt if that could be. I think that by-lines should only go to people who do something of a particular distinction and they should be rewarded with a by-line. You can't scatter them around.

Supposing the *Ottawa Journal* this afternoon carried a news report or an interpretive report with John Jones' name on top of it. Well, who the devil is John Jones? They wouldn't know and how would you know he was prejudiced?

Senator Macdonald: Well, perhaps he wrote a book.

Senator O'Leary: Well, I hope he doesn't. I started one and it is tough going.

Senator Macdonald: You mentioned, Senator, the Government information bureau. Apart from the fact that they are going to use T.V., what about just having one bureau on information. Do you have a comment on that?

Senator O'Leary: Well, it could be all right. I must say, however, that I am a little afraid of it. I don't know who would do this work because you see I have noticed over the last few years the executive assistants and public relations people. God, public relations people. Public relations at polls—you know, somebody goes around with a notebook and meets you on the street in a snow storm and wants to know if you are herding with the mob. This is utter nonsense.

I am afraid of this and from what I know, Mr. Stanbury says we are going to do a lot of this on television. Who is going to do this on television? How can we depend on them being what we call objective? How can we depend on them not wanting to boost a minister and most of these young boys—and they think it is all right—they do. What do we do with the image makers? Indeed, there is a tribe that should be destroyed. This is what you are up against with a government information bureau.

Now, maybe the Government has taken on an honesty which it didn't possess in my day or in my years, and I am speaking of all governments. I would say exactly the same thing if it was a tory government, or God forgive me for using that silly term, a conservative government with a small "c". You cannot depend on governments to hand out information of that kind. You can't. What would you do about it if it came out on television? You can check the print. How do you check it? You might do it in Parliament, but when I see what goes on in Parliament I am not sure that they would do it adequately there. No, I would prefer to wait and see. I am sure that Mr. Stanbury is a man of integrity and I like him very much personally, and

I am sure he will do the best he can, but I am afraid that this is beyond the reach of human nature.

Senator Macdonald: This afternoon, Senator, a witness from *Saturday Night* I thought defended the use of four letter words in that magazine. He didn't say they used them too often, but what would you say about that?

Senator O'Leary: I would say that is bad. Four letter words—I am not afraid of them. You meet them in the best of books. I met them the other day in Graham Greene's latest book "Travel With My Aunt" and I have met them in very serious works. They don't terrify me at all, but I doubt if you can throw them around in magazines and newspapers. There is such a thing as public taste, after all, and I don't think public taste goes for that sort of thing. No. I didn't hear what this gentleman said, but I think this is a bit dangerous as well.

I remember in the days of newspapers when we didn't even report that someone was giving a cocktail party. The public just wouldn't stand for it. We called it entertaining "late in the afternoon". Not only that, you take the word "pregnant." Some people just love that word. It is being used every day, but 25 or 30 years ago you wouldn't dare use that word in a newspaper.

Now, this is what we call the permissive society and I suppose there are people who would say that this is a good thing. It is honest, they say. Well, maybe so. But I think we can find other words to describe what we mean better than using four letter words.

Senator Macdonald: Going back—you mentioned your report, Senator. Somewhere in that report you said:

"Therefore, so far as the printed word is concerned, it is largely left to our periodical press, to our magazines big and little to make a conscious appeal to the nation, to try to interpret Canada to all Canadians, to bring a sense of oneness to our scattered communities."

And also you continue:

"Only a truly Canadian printing press, one with the "feel" of Canada and directly responsible to Canada, can give us the critical analysis, the informed discourse and dialogue which are indispensable in a sovereign society."

Since the time of that report would you say that Canadian magazines have done that?

Senator O'Leary: No they haven't done it because my report was not accepted. It was accepted in part, but in legislation brought down by the Government two years ago they conferred honorary Canadian citizenship on Mr. Luce. He was allowed to go on and they entrenched his position. They said—and this is in effect what they did say: "Now look, it is true that you have been hurting our Canadian magazine and we know this, we accept this, and we are not going to allow this to happen in the future to those who are not here. However, you are here and you have been doing what is wrong and we are going to allow you to continue." They entrenched his position and that of the gentleman who prints *Reader's Digest*. They entrenched their position and gave them a monopoly. They said no other Americans can come in here and do what you are doing, but since you have been here over the years we will allow you to continue. I think, I should add this in all have improved their position, circulation-wise fairness, *Reader's Digest* and *Time* magazine have improved their position, circulation-wise over the years and I am not so sure that *Time* magazine today is not the best Canadian magazine we have. This of course is in terms of content. Of course, it has faults, but every publication has.

You take the last ten issues of *Time* magazine and compare it with the last ten issues of *Saturday Night* or *Maclean's* you will find more Canadian content in *Time* than you will in the Canadian publications. And so I say, as I said a while ago, were I making my report today, I would not have been so concerned for those magazines. When I made my report *Maclean's* had two issues a month. Now they have gone down to one and changed their format; sometimes they bring out a magazine and you think it is a pale imitation of *Playboy*. This is what I am complaining about, but I blame this on the failure—not only of one party, but of both, because the Conservative government was not going to accept my report either. Not in whole; they did accept some parts of it and they even gave some assistance to Mr. Trudeau's *Cité Libre*. I recommended it. I went all out for the little magazines because I thought they reflected a better and pure Canadian spirit than the bigger magazines did.

Now, they gave postal concessions to the magazines and I am not dismayed by this. Somebody once said that if Moses had been a Royal Commission, the Israelites would still be in Egypt. This is true, of course. This is

what is happening to Royal Commission after Royal Commission so I am not too disturbed, but I am disturbed that they give it in not a too honest way.

Senator Macdonald: It has been stated here more than once that without *Time* and *Reader's Digest*, there could be no magazine industry in Canada. What do you think of that?

Senator O'Leary: That is nonsense too. The magazines including *Maclean's* and *Saturday Night*—well, *Saturday Night* doesn't count—but you know Mr. Chairman that the advertisers said "Look, if we destroy *Time* and *Reader's Digest*, and so on, the advertiser will forget about magazines. He will be giving his advertising to some other channels." Now, I don't think this was a good argument but it was an understandable one so they said we must keep so many magazines in existence, *Saturday Night*, *Maclean's*, *Chatelaine*, *Time*, and what have you. I think when I made my report—I call it my report but there were two other gentlemen on it and a very brilliant secretary—I think that *Time* and *Reader's Digest* were taking between them some 40 per cent of all Canadian magazine advertising. We held that that was too much and we held that the Canadian advertisers as Canadian citizens had an obligation to Canadian media, and that is why we said, all right, if you want to put your advertising in *Time* or in *Reader's Digest*, O.K., we are not stopping you, but we would not allow the magazines to deduct that from their income tax. We didn't interfere with press freedom as they call it. We didn't change anything. We didn't stop American magazines from coming in here. We only said if they come in here as they are published at home, very well, but if they change them, change their character and merely made them carriers of packaged advertising for the Canadian consumer, we would not let them in and we advocated a change in the tariffs for that reason.

Senator Macdonald: To go back for a moment to reporting and this is my last question, Senator—both the radio and TV reporting. There seems to be a tremendous amount of news from the United States and if you take the national news in my mind there often seems to be an anti-United States bias to it. Would you care to comment on that?

Senator O'Leary: I deplore all this nonsense about the Americans taking over our universities, and so on. Good God, we used to go into paeans of praise in the old days because

we had gone over and taken over their universities. You will remember the President of Cornell and other people who went over there. And then there is this talk about some monolithic American culture going to engulf us—gentlemen and ladies, I am prepared to stand up to the culture of Harvard which, incidentally, has the largest library of Canadiana in the world—larger than any Canadian university. And I must say that I am prepared to stand up to the culture of the *Atlantic Monthly*, of *Harper's*, of the *New Republic*. These are publications we don't possess, so what are we talking about? It used to be that nobody said anything about it.

I remember when almost every Canadian university—almost every one had a British president. McGill had Peterson and Queen's always had a British president.

Incidentally, when I held that a Canadian publication must be owned in Canada, edited in Canada, I held that against the British Commonwealth as well as against the United States. We had no prejudice against the Commonwealth as such but we wanted to control by ourselves and within ourselves—our own writing, our own management, and so on. I would not allow any member of the Commonwealth outside of Canada to completely own a Canadian newspaper.

The Chairman: Mr. Fortier?

Mr. Fortier: Senator O'Leary, what would be the ingredients in 1970 of a good Canadian reporter?

Senator O'Leary: Well, I suppose the quick answer would be that he has to have a university degree and so on, but that is not true either. The best newspapermen I knew in Canada in my day, the most famous and the greatest didn't have university degrees. Sir John Williston never had a university degree, John W. Dafoe never had a university degree. This idea that you must go to university to become a competent member of the press is not quite true.

I think all things being equal, this is an advantage, and I think the policy of the *Journal* was and still is in employing reporters, that they do seek out people with university degrees, but that doesn't say that the man with the university degree will always be the best reporter. I never opened an English grammar in my life—I haven't yet although I read *Fowler's English* through. I never went beyond the third grade in a primary school and I think I became a better reporter than

some of the people who have worked with me who had all sorts—they had more degrees, my gosh than a thermometer. This is true. You have to deal with individuals, with people. And then I hear people talking about chain papers, and all this sort of nonsense. One individual owning a newspaper, the sole owner, could be an evil man and do more harm than a chain. Newspapers are people, whether you call it a chain...

The Chairman: But senator, that man could do more harm if he owned a chain?

Senator O'Leary: Well, that could be, but it is people that count. When my friend Norman Smith and myself sold the *Journal* we had offers from individuals. We had one man, I remember, and Norman will remember, who came in and put a cheque book on the table and said "Fill it out". We wouldn't sell it. We didn't think he was a fit and proper person to run a paper like the *Journal*.

We had another very distinguished owner of newspapers who came and wanted to buy the *Journal* and we refused to sell it to him. We sold to people of character who had been in the newspaper business all their lives, understood the press and what it should be and what it stood for. I don't care if you call it a chain or not, we sold it to people. There is nothing to a newspaper but people. It is just like the Senate; there is nothing in the Senate but people.

Mr. Fortier: Do you see a trend, Senator O'Leary, to group ownership of newspapers?

Senator O'Leary: This I think will depend a great deal on financial and economic conditions. There is not a trend on the part of people but there is a compulsion, a financial compulsion. I would have liked, and I am sure my friend Mr. Norman Smith would have liked, to go on running the *Journal* as we were running it. We owned it, we were happy with it and we thought we knew what a newspaper should be. We thought that P. D. Ross and E. Norman Smith had a tradition in the *Journal* and they had. E. Norman Smith always said, we must go into a home with grace and courtesy and P. D. Ross used to tell me "O'Leary, say what you like about a man's policies but don't say anything about him personally that you wouldn't be prepared to say to him at your own dinner table." Now, that is the way to run a newspaper. That is why we refused to sell to certain people who wanted to buy the *Journal*, but that didn't

apply to the Siftons. They were men of character. They were men who knew what a newspaper should be. They had built up the great tradition of the *Winnipeg Free Press*.

So when you speak of a trend I think what you mean is will economic conditions compel more and more of these chains? This is something I forgot to mention earlier. A lot of the bad that happened to the press happened when the party press died out. I believe in party newspapers.

Mr. Fortier: Could you expand on that, senator?

Senator O'Leary: When you have in a city two newspapers, one Liberal and the other Conservative—they might not understand the philosophy of their party, but at least they understood the rivalry. So you have in London—let us take London, Ontario—you had the *London Free Press* and the *London Advertiser*. (The *London Advertiser* was owned by the proprietor of the *Toronto Star*, Mr. Atkins.) These papers day after day went at each other hammer and tong. Now, most of what they said might have been more vigorous than sensible, but the reader got both sides and you could come to some conclusions.

When one paper dies because of economic conditions, then you have one paper. What would the owner of that one paper say—he says "Good God, whatever I do here I can't afford to offend all the Advertiser's or old Liberal subscribers" so he becomes a bit of a unit. If you go over the list of Canadian newspapers—and I have said this often to my colleagues—you go over the list of the Canadian daily newspapers and they put themselves down as what? Very few as Liberal or Conservative. Most call themselves "Independent". All they mean by that is neutral. If there is a damnable thing in the world as far as democracy is concerned, that is a neutral newspaper. You must stand up and be counted in your place when the chips are down. I believe in the party press.

Gentlemen, let me tell you this. I wrote editorials with the *Journal* for over 50 years. It was an independent Conservative paper and there is a difference. By independent Conservative paper what you mean is this. You accept the party philosophy, but you don't accept the party line. God help me, and I cross my heart and say it, I never did. I was a maverick. I am glad I was. But still I believe in a party press. A lot of the people who are going around deriding the party

press don't seem to understand that had it not been for politicians there never would have been the free press. It was because the old Whigs protested and damned the Tories, when the Tories were in office, for suppressing their pamphlets, and vice versa. When the Whigs got in having damned the Tories for suppressing their papers, they couldn't set out to suppress the Tory paper, and so it came about, the freedom of the press, and that is the only way it came about.

And yet you will hear this—I have heard this—Get away from party newspapers, get away from politics. What do they mean get away from politics? Our whole governmental society is based on party politics. Independence, yes, within a party, good, but if you are going to say that I don't believe in any party's philosophy; I don't believe in the history of the Liberal party in Canada; I don't accept Sir John Williston's "Laurier"; I don't accept Donald Creighton's "Macdonald"; parties haven't mattered in our country. My friends, parties made this country. Who brought about Confederation? Not neutral newspapers. At the time of Confederation there were 100 newspapers published in this country. One hundred papers, daily and weekly, discussing political events, discussing Confederation.

Mr. Fortier: There are 113 today.

Senator O'Leary: Yes, but not of that category. Sometimes it is very interesting to go back and read the editorials that appeared in the press of Canada at the time of Confederation. They were magnificent.

Mr. Fortier: Do we have any strong party daily newspapers in Canada today, Senator?

Senator O'Leary: I can think of two or three papers that support a party philosophy. I think the *Winnipeg Free Press* does, I think the *Ottawa Journal* does.

Mr. Fortier: Are they tugging with their competitors in their respective cities?

Senator O'Leary: Yes.

Mr. Fortier: In view of what you have just said, does that make them better newspapers?

Senator O'Leary: In my view it makes them a lot better and makes them more honest and more intelligent. What is a paper for? Is it just selling news? If it is just selling news, why on earth should it ask for any special privileges? You will hear this cry from the young members that come along and say you

mustn't tax advertising. Good Lord, advertising is taxed every day. Newspapers are taxed. Newspapers pay real estate taxes—they pay taxes on practically everything that goes into the newspaper including the newsprint, and if you took the *Ottawa Journal* today and the *Ottawa Citizen*—you look at them and compare what they have in the way of advertising I think you would have to come to the conclusion that 60 per cent of their gross revenues is derived from advertising. Very well, the Government comes along and taxes that at 48 per cent. What is it taxing? Of course, it is taxing advertising. But to have these clichés and to go ahead with them—they don't mean a damn thing.

Senator Everett: Can you tell me whether in your view, Senator, the party newspaper is possible in a one newspaper town?

Senator O'Leary: It would be difficult, I think. I don't know whether it is possible—a lot of things are possible but yet not probable. I would like to see it, but whether the newspaper could survive, I don't know. Because of television and whatnot, the party spirit has died out and I am aware of this. They say you must be impartial—impartial—be damned. Of course, you can be impartial—the Supreme Court of Canada is impartial, but in the end it must stand up and declare itself. Of course you can be impartial but at some time you must come to a conclusion. That is why I believe in the party newspaper. Because, what do you believe in, if you don't believe in a party in a democratic state? You believe in a babble of voices? Do you believe in what I call a Pentecostal *Donnybrook*?

Senator Everett: What do you suggest for cities like Edmonton that have one dominant newspaper?

Senator O'Leary: Well, I suppose if I went to Edmonton with two or three million dollars and would like to get out a newspaper, the chances are that I would lose my two or three million dollars. This idea that you can start a newspaper on a shoestring is nonsense. I think Edmonton would have to put up with what its got. I don't read the *Edmonton Journal*; I don't know how good it is or how bad, but personally I would like to see two newspapers in a town the size of Edmonton.

Mr. Fortier: Two good party newspapers. Ideally?

Senator O'Leary: Ideally.

Senator Everett: Do you have any suggestions as to how this could be brought about in a place like Edmonton?

Senator O'Leary: Well, if you can go and get that dear old gentleman—Mr. Roy Milner to put up three or four million dollars you might bring it about. However, how would you finance it? How would you do it? It is money and you cannot run a newspaper today without money. No matter what your ideals. People come to you and say "Why don't you do this and do that, like the *New York Times* does?" We just don't have the capital nor the means of getting the revenue, and they also come and say "Why don't you have more philosophy, more book reports, more religion, and more what have you?" You say to them, now look there are papers in the world that devote themselves to that type of thing—there is the *Economist* in London, there is the *New Statesman* in London, the *Spectator* in London, and some in the United States. Are you subscribing to them? They don't. In the old days it was possible to run a newspaper—not on a shoe-string, but without a great deal of money, but it is no longer possible. This is one of the major problems. This doesn't mean of course that good people shouldn't print good party newspapers.

Senator Everett: You seem to suggest...

Senator O'Leary: I seem to suggest? If that is all I am doing I am a hell of a failure.

Senator Everett: You suggest that there is no form of medium that can vie with the newspaper for public representation. Do you think that there is any hope for television or radio or cablevision?

Senator O'Leary: Well, I don't profess to be an expert on television. I don't know. Again, there are all sorts of circumstances that enter into the picture. I think television could be improved enormously. I think radio today to me is a far better thing than television. I used to listen to television for the 11 o'clock news... I don't do it any more. I listen to the radio. I know it comes from the Canadian Press and these people don't even dot an "i" or cross a "t" but in any event I don't think they waste the space they have with a lot of damned nonsense. For example, TV is obsessed with fires. They put on fires that happen all over the place. The fire is a fire. A TV news report is a bad report and then of course to make it worse they come on with

this thing they show you (Viewpoint)... he is telling you what is wrong with the world and he drives me mad.

The Chairman: Senator, when you say you prefer radio for the news, do you listen to the private radio or CBC radio?

Senator O'Leary: I listen to both but on the whole I listen to CBC radio.

The Chairman: For news you listen to CBC radio?

Senator O'Leary: Yes.

The Chairman: If I may,... we would like to keep you here all evening...

Senator O'Leary: Well, you are not going to.

The Chairman: Well, if I may I would like to turn the discussion to magazines and in particular to your report. You used the phrase this afternoon, and it is a phrase I recall from the report itself "a sanctuary for mediocrity." Would you expand upon your statement that Canadian magazines have in effect become sanctuaries for mediocrity?

Senator O'Leary: Well, I don't know if the sanctuaries are there, but I must say I have no praise for existing Canadian magazines. Maybe that is my fault, I don't know.

The Chairman: Senator, when I made my original speech proposing this committee in the Senate (I know you were present in the chamber that night) and when I came to speak about magazines I said I felt that as to the dilemma of the Canadian magazine industry, which we should examine... that the solution of the problem might be as simple as implementing your report fully. I don't know whether I think that any more or not, but the thing that has happened at these hearings is that the magazine industry... the Canadian magazine industry has come before us... *Time* and *Reader's Digest* are still to come, but the Canadian magazine industry or those representatives who have come before us... some have said that you were wrong in your recommendations and others have said that you were right in your recommendations but those recommendations not having been implemented, it is now too late.

In any event, it appears to me and I perhaps shouldn't prejudge matters we are still discussing, but it seems to me that a substantial cross-section of the Canadian magazine industry has for all time abandoned oppo-

sition of any kind to the exemption which *Time* and *Reader's Digest* presently enjoy. Could you comment on the current situation?

Senator O'Leary: Well, I don't know enough about it, really. I know that they have changed and I know they went along with this idea that we must keep the magazines alive and get magazine advertising, but I don't know enough of the inner circumstances which would lead editors to believe what they believe now. They haven't told me this and in fact I have had no talk with them at all, and I had very little talk with them when I was preparing my report. It may be that the situation now warrants that the so-called Canadian magazines remain in Canada, but I can't get excited about it now. I can't get excited about the publishers of Canadian magazines, as a matter of fact.

The Chairman: *Time* magazine, we could use it as an example—the latest statistic carried in your report, was 1959 and certainly the trends indicated in your report have been confirmed in the extreme. *Time's* circulation has doubled in Canada and its advertising revenue has more than doubled. If you were writing the report today, would you make the same kind of recommendation?

Senator O'Leary: I would if I thought the Canadian magazines were what they were when I made my report. They have changed and they say that they are satisfied with the situation—and so why in the devil should I go out of my way to protect them? I won't protect *Saturday Night*. You know what is keeping *Saturday Night* alive as well as I do. It is being kept alive for that very reason. We want more magazines. It is not being kept alive by its own efforts. It is being kept alive because other Canadian magazines want to keep it alive and have taken the necessary financial precautions to keep it alive. If they want to go along with that, all right. I don't know if *Maclean's* is making money now, but I think *Maclean's* magazine is one log in the raft.

The Chairman: Mr. Fortier?

Mr. Fortier: Senator O'Leary, I am sure the committee would be very interested in hearing your views as to why many general interest magazines are either disappearing or having financial difficulties both in the United States and in Canada. Would you care to comment on that?

Senator O'Leary: Well, I think it is true that taste in magazines—public tastes change. I remember the old *Liberty*, for example, and the original *Life*, and *Saturday Evening Post* which was a bible almost. Now, tastes change and the people to whom *Saturday Evening Post* appealed, disappeared. There was a new generation—what they call the generation on gap, and poor old *Saturday Evening Post* fought and fought and changed editors, and so on, but it couldn't keep up with *Look*, and *Life*, and the other magazines.

Then, you have *McCall's* and what happened there was—this magazine achieved the greatest circulation of them all. It achieved that circulation because it was bought by a rich oil man in Texas who said "Go ahead and spend money and beat out the *Ladies' Home Journal*" and they did. If you want to throw your money away, you can certainly build up a magazine and they built up this magazine. I venture to say that 50 years ago *Playboy* couldn't have existed.

Take another, take *Esquire*. When *Esquire* started—well, you were afraid to walk down the street with *Esquire* in your pocket. You were looked upon almost as a deviate. Now, *Esquire* has become a very splendid magazine and it has more advertising than any of the others and it is making money. I don't know, you just can't keep a magazine in one format all the time. *Collier's* disappeared. I was the Canadian editor for *Colliers* for five years and I used to go down and sit there and say "why are you getting this magazine out", and they would say "we don't know." And they didn't know. So that they had no aim, no purpose, no direction, and they died.

I think this is what has happened to a number of magazines, and if you take the list—I gave a list in that report and I must say that the list in the United States is just as long and the obituaries of American magazines has been just as wide and just as large as our own.

It is a matter of taste, but in our case I was arguing that our magazines were going out of business regardless of how they were run. I was hoping that my report might be accepted and I was hoping that I was going to be able to save the Canadian magazines that were worth while—not the sort that are published today. I am sorry to have to make this criticism, but I didn't come here to tell fibs.

The Chairman: There is an auxiliary issue which you deal with as well, Senator, in your report which I would like to have your comment on. Perhaps in putting this question to you I could quote the introductory statement from the report which I quoted in my Senate speech and which I will quote again because I agree with it totally.

"The view of the Commission is that in an area as vital and sensitive as the press, whatever is done should be positive rather than negative, with the goal the promotion of the Canadian periodical, not the suppression of the foreign."

Now, I agree with that totally, so it is in no narrow nationalistic sense that I put this question to you. The problems of overflow circulation are perhaps again more acute even than at the time of the report. Would you care to comment on that?

Senator O'Leary: Well, we looked at it as hard as we could, but we thought it terribly difficult to come up with it. What do you do? Do you stop them? Do you stop them at the border? There is such a thing as reader preference and if some readers—a hundred readers, a thousand readers or hundreds of thousands of readers in Canada want to read a certain American magazine I didn't think it was up to us or the Canadian Government to interfere with them. Now, it has grown; if you go down this evening to the Chateau Laurier and go into their news room and look at what you see on the shelves, it frightens you. Yet, someone is reading those books. They wouldn't be there unless someone was reading those books. When we made our report do you know who was looking after the circulation of *Maclean's* magazine? Curtis Publishing Company, the Saturday Evening Post. We had no prejudice against the Americans and the overflow was the difficulty and it was hurting as well, but we didn't want to censor it.

The Chairman: When you talked, Senator, about the American culture and you mentioned the *Atlantic* and *Harper's* and the Harvard library, I must say that the thought went through my mind about *Playboy* and about 25 million comic books that come in here annually, and as well the very worst of American television on the CBC. Doesn't that aspect of American culture concern you?

Senator O'Leary: Well, the Americans aren't forcing these magazines on us. We are buying them, Canadians.

The Chairman: Does that concern you?

Senator O'Leary: If you are concerned about the whole aspect, the whole world, public morality, public taste, then it might. However, I am not sitting in judgment on anybody. I read *Playboy* myself—I find it a very interesting magazine, lots of fun. It is when you come to deal with these things—you may deplore it, you may exhort, and you may try to persuade, but there comes a time when you say all right, how do you keep them out? If Senator Keith Davey wants to buy *Playboy*—which I understand he buys every week—am I going to stop you?

The Chairman: I hope not.

Senator O'Leary: No, of course not. We tried to avoid coercion as far as we could and there wasn't one line in our report of coercion. Not one line. This is something that we avoided from beginning to end. There must be no interference with press freedom, there must be no interference with readers' choice, readers' preference and no interference whatsoever with these magazines coming in here unless they came in here with packages of advertising directed to Canadian consumers.

The Chairman: Yet the inundation grows?

Senator O'Leary: That is because we are not Americans. We are children of geography and we are subject to the same foibles and follies and prejudices as they are. Don't let us try to set ourselves up as being apart. The Americans—I said in that report and I will say again—that we should sit down—kneel down night after night and thank God that our border is not the border of Czechoslovakia, but the border of the United States.

The Chairman: Mr. Fortier?

Mr. Fortier: Given your just uttered comments, Senator O'Leary, would you care to comment about the proposals which were put forward by Mr. Juneau, the Chairman of the CRTC last week for the increased Canadian content on television and radio. Should the CRTC, the Canadian Radio and Television commission, force a certain type of program, a certain content on the Canadian viewers?

Senator O'Leary: I am not going to say whether they should or not, but I know they are not going to succeed. This is over-simplification if you ever heard it. We had this problem as well and we dealt with it. Canadian content. What is Canadian content? People

ask to have more news, more of this and more of that and the other thing. Is Commonwealth news Canadian content? No. Mind you, I don't know enough about cable television, as I don't have one myself, but if a Canadian wants to have cable television—I would have liked to have seen the prize fight last night and if I had cable television, I would have been able to watch it, but I had to wait and read a bad report in the *Montreal Gazette* this morning.

Mr. Fortier: Don't get personal, Senator.

The Chairman: It was on radio.

Senator O'Leary: I didn't know it was on the radio.

The Chairman: It was on the CBC.

Senator O'Leary: Well, I spent the whole evening reading *Mary Queen of Scots*.

The Chairman: Well, Senator, it was a very short fight.

Mr Fortier: Is it a form of coercion of which you disapprove?

Senator O'Leary: Well, you always have a stigma when you come to the matter of blame. This is where people fall down all the time in dealing with freedom, in dealing with coercion. It is a question of degree and that is the heart of the thing. To what degree are you enforcing coercion? Frankly, I don't want to comment on it, really, because I haven't read the text of the proposals and I haven't read the articles against it so frankly I don't know.

Mr. Fortier: You spoke, Senator O'Leary, in your opening remarks of the euphoria or complacency of newspaper journalists. I wonder if you again would give specific instances of this?

Senator O'Leary: Well, my ex-colleague Mr. Norman Smith knows a great deal more on this than I do, but if you went to a meeting of the Canadian Press you will hear people getting up and saying—and these are good technicians, they try to improve the service and so on, but it never occurred to them as far as their discussions were concerned that the press might be at fault in a great many ways. This never seemed to enter into the discussions. I have gone and heard orations and people quoting Milton—"Give me the right to know, to utter, to argue according to my conscience", and all that sort of damned nonsense—there has never been a more lucid

sentence in the English language—they will quote these things and talk about press freedom. They ran a series of ads a few years ago on what press freedom meant and whoever wrote the ads didn't know what he was talking about. I quote Socrates in my report—"that the unexamined life is unfit to be lived." It goes for the newspaper world, it goes for all of us, and it goes for the community.

Mr. Fortier: Again, Senator O'Leary, in your opening remarks you say that Canadian newspapers by and large did not attack or treat Mr. Benson's White Paper the way they should have. Would you give us instances of events which in the last few years have been properly treated in the Canadian press?

Senator O'Leary: No sir, I will not attempt that because I can't remember. However, when I talked about Mr. Benson's report, that was quite a good example. At a first look I accepted Mr. Benson's report saying that 100,000 people would be taken off the income tax rolls and the middle income people are to be taxed a little more and I don't see why they shouldn't be. There were, however, many other things, and I was not in a position to read the fine print and I didn't know. My point is this—if you are in the Press Gallery and you are trying to supply your newspaper with facts, with interpretations of what the Government is doing, it seems to me that there are lots of people you could have gone to and said, "Now, look, will you tell me about this? Will you tell me what you think is wrong with it or what is right with it and give me some clear account of this?" This wasn't done. Mr. Benson's words were taken holus-bolus and as I said before I was sick of looking at his pipe. This was the image, the personality. They didn't concentrate on the White Paper itself and it was not until businessmen, financial men looked at this report closely that the press began to criticize it at all.

Mr. Fortier: Well, could it be that the readers on the one hand, or the viewers on the other, or the listeners as it applies to radio, are somewhat to blame for the press that they get or for the lack-lustre television programming that they receive?

Senator O'Leary: No, I don't believe that at all. You see, once you descend to the level of entertainment, you are lost. When the press tries to vie with all sorts of publications that come out, the fun publications, it is in trouble.

ble—and radio and TV with such programs like Red Skelton et cetera—what the hell. On Saturday evening some time when you are not too busy with your law look at this program called Weekend. What are they trying to do? Just what is the purpose? What is the direction or philosophy of a program like that? I suppose it is a type of entertainment, but I didn't find it too entertaining. Are they trying to inform people? Are they trying to build up what they call Canadian identity? Are they trying to promote Canadian unity? Just what are they trying to do with that program? This is what I am criticizing TV for.

Mr. Fortier: Is it at all possible to use the television medium with the same effectiveness as the print medium? Do you envisage that possibility?

Senator O'Leary: No.

Mr. Fortier: You do not?

Senator O'Leary: No. I do not because as I said in my preliminary remarks, too many people just go to look, not to listen and in any event what do you have when it is all over? You have nothing. If you print something in a newspaper a man can take it home. He can read it, he can underline it, he can have marginal notes, he can challenge it. He has a record there in front of him and you are on record. When you are going on record and you know that you will be challenged and criticized you will be a little more responsible. You get some young man who goes on TV and he makes the most outlandish statements—who is to check him?

Electronic journalism. There is no such thing as electronic journalism. Did you ever hear of electronic poetry? For God's sakes, why do we talk such nonsense?

The Chairman: Senators, I think in fairness we will sit here as long as you will...

Senator O'Leary: Well, I am tired.

The Chairman: Well, I know you are, so I am going to terminate our discussion with your approval, senator, in five minutes at six o'clock. I apologize to those senators who wanted to ask questions and have been unable to. I know Senator McElman you had one so why don't you go ahead.

Senator McElman: Well, first of all a supplementary question. You have aroused my curiosity...

Senator O'Leary: Could you speak a little louder, please?

Senator McElman: You whetted my curiosity when it was learned that you are both avid readers of *Playboy*. Would you tell me please if you both keep the centre spread?

Senator O'Leary: I didn't get the question.

The Chairman: He wants to know if you enjoy the centre spread of *Playboy*?

Senator O'Leary: Well, of course I do. Why not? Josie, what do you think of that?

Senator Quart: Come up and see me some time!

Senator McElman: Senator, you have spoken very frankly on the matter of chain ownership. One of the problems that appears to be growing in strength and apparently in danger in the United States is the acquisition of media by great conglomerates such as the I.T.T. What is your feeling with respect to conglomerates?

Senator O'Leary: Well, I would prefer to have it the other way around. However, what you are up against again is the financial interests. You see, you couldn't have an euphoria gazette or you couldn't have William Allan White because he would go out of business. You had these small papers in the old days and you had these personal journalists, but they couldn't exist today.

You go to the United States and I will give you a list of papers—the *Brooklyn Eagle* was one of the great newspapers in the United States, the *Springfield Republican* was a great newspaper in the United States, as was even the *Baltimore Sun*. Now, these were great papers 25 years ago but they are not today. The *Kansas City Star*—President Roosevelt when he retired—the first Roosevelt—became the editor of that paper and this is what you had but you can't have that sort of thing today. You can't compete.

You go and try to start a good paper in Los Angeles today and see if you can compete against the *Los Angeles Times* so inevitably this is going to happen. I don't like it because I believe in personal journalism and I believe in the old newspapers and the old journalism, but I know what the situation is. I know that you can't have it and the only cure for it will be a public revolt against it. You will have in the end to depend upon the direction or censorship, if you call it that, of the public itself.

If the public comes to believe that this kind of ownership is a menace to democracy, a menace to freedom, a menace to government, then I hope and would expect that in time the public would deal with it. In the meantime, just to deplore it is not enough.

Senator McElman: I refer in particular not so much to chains which are strictly in the newspaper field but those whose prime interests are outside of publishing. I am relating it purposely, of course, to the I.T.T. situation in the States where their great massive interests are in many, many other areas. Are those acquisitions dangerous?

Senator O'Leary: I don't know to what degree of danger, but I think they are bad. Why would a man who had no interest in the financial end of a paper buy the paper in the first place? We have had cases in Canada within the last year where very powerful people bought newspapers. They appear to have dispensed with them now, and under what conditions I don't know, but you see the only man who should own a newspaper is the man who wants to promote something good in the community. If he wants to promote his party, if he wants to promote something within the State if he thinks it is good for the state, let him buy the newspaper.

Why should he buy a newspaper if he has a billion dollars and doesn't expect to get anything for it? What is the idea? Surely he wants to use it for other purposes other than finance. He wants to use it to promote something he is interested in. You know of cases as well as I do in this country and in the United States a well. This is a danger but how you deal with it? I don't know. This is something for statesmanship and something for politicians to deal with.

Senator McElman: It has been suggested to us quite strongly by several responsible publishers that perhaps we need a strengthening of our combines legislation.

Senator O'Leary: Well, that is outside my province and I frankly don't understand

enough to say whether the Combines Act could do this or not. If it is debated in Parliament and discussed as it should be, (for legislation of that kind must be examined very critically) and if it goes before Parliament or a parliamentary committee and Parliament in its wisdom or lack of it says "This should be done" through the Combines Investigation Act, O.K. I don't like governments jumping at these things.

Senator McElman: One last question.

The Chairman: Yes?

Senator McElman: Because of the lack of training facilities in Canada for people in the electronic media, that is, so-called electronic journalists, there has been particularly with the CBC a great influx of people from the United Kingdom. Have you noticed any influence upon the programming as a result of this?

Senator O'Leary: No sir. I know nothing about it.

The Chairman: Senator O'Leary, my closing comments will be almost as brief as those with which I began the session. You sir, if I may speak as a partisan, you sir are one of my favourite Tories. Your presence here this afternoon has honoured this committee, and I mean that most sincerely and your comments have been of great service to us.

Before adjourning, I would just point out to the senators that tomorrow we do have a long and rather heavy day but I think it is an interesting one. All meetings will be in this room. At 9.30 tomorrow morning we have Mr. Jerry Goodis, at 11 o'clock Maclean's Magazine, at 2.30 p.m. Chatelaine magazine, 4.30 p.m. the Magazine Advertising Bureau. Tomorrow night at 8 o'clock the International Typographical Union and tomorrow night at 9 o'clock Mr. Kenneth Lefolli.

Thank you very much.

The Committee adjourned.



Second Session—Twenty-eighth Parliament

1969-70

THE SENATE OF CANADA

PROCEEDINGS

OF THE

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

No. 21

WEDNESDAY, FEBRUARY 18, 1970

WITNESSES:

Mr. Jerry Goodis, Advertising Executive. Maclean's Magazine: Mr. F. Gerald Brander, Publisher, *Maclean's Magazine* and *Le Magazine Maclean*; Mr. Ronald McEachern, Executive Vice-President, Maclean-Hunter Limited; Mr. Peter Gzowski, Editor, *Maclean's Magazine*; Mr. Jean Sisto, Editor, *Le Magazine Maclean*; Mr. Lloyd Hodgkinson, Director, Maclean-Hunter Limited and Publisher, The Chatelaine Group; Mrs. Doris McCubbin Anderson, Editor, Chatelaine Group and Editor-in-Chief, *Miss Chatelaine*; Mme Fernande Saint-Martin, Editor, *Châteline. Magazine Advertising Bureau*: Mr. John Crosbie, President, *International Typographical Union*: Mr. James P. Duffy, President, Ottawa Typographical Union; Mr. Allan Heritage, Former President, Toronto Mailers' Union; Mr. Allan Histed, President, Hamilton Typographical Union; Mr. Robert Earles, President, Toronto Mailers' Union. *Mr. Ken Lefolii, Broadcaster and Commentator.*

MEMBERS OF THE
SPECIAL SENATE COMMITTEE ON MASS MEDIA

The Honourable Keith Davey, Chairman

The Honourable L. P. Beaubien, Deputy Chairman

Beaubien	Langlois	Prowse
Bourque	Macdonald (<i>Cape Breton</i>)	Quart
Davey	McElman	Smith
Everett	Petten	Sparrow
Hays	Phillips (<i>Prince</i>)	Welch
Kinnear		

(16 members)

ORDERS OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate, Wednesday, October 29th, 1969.

With leave of the Senate,
The Honourable Senator Davey moved, seconded by the Honourable Senator Lang:

That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public, to be known as the Special Committee of the Senate on Mass Media;

That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry;

That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to sit during adjournments of the Senate and that Rule 76(4) be suspended in relation to this Special Committee from 9th to 18th December, 1969, both inclusive, and the Committee have power to sit during sittings of the Senate for that period;

That the papers and evidence received and taken on the subject in the preceding session be referred to the Committee; and

That the Committee be composed of the Honourable Senators Beaubien, Davey, Everett, Giguère, Hays, Irvine, Langlois, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Sparrow, Urquhart, White and Willis.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, November 6th, 1969.

With leave of the Senate,
The Honourable Senator McDonald moved, seconded by the Honourable Senator Smith:

That the names of the Honourable Senators Giguère and Urquhart be removed from the list of Senators serving on the Special Committee of the Senate on Mass Media; and

That the names of the Honourable Senators Bourque, Smith and Welch be added to the list of Senators serving on the said Special Committee.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Friday, December 19th, 1969.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That the names of the Honourable Senators Bélisle and Phillips (*Prince*) be substituted for those of the Honourable Senators Welch and White on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 3, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Langlois:

That Rule 76 (4) be suspended in relation to the Special Committee of the Senate on Mass Media from 10th to 19th February, 1970, both inclusive, and that the Committee have power to sit during sittings of the Senate for that period.

After debate, and—

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Thursday, February 5, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Haig:

That the names of the Honourable Senators Quart and Welch be substituted for those of the Honourable Senators Bélisle and Willis on the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

Extract from the Minutes of the Proceedings of the Senate, Tuesday, February 17, 1970.

With leave of the Senate,

The Honourable Senator McDonald moved, seconded by the Honourable Senator Connolly (*Halifax North*):

That the name of the Honourable Senator Kinnear be added to the list of Senators serving on the Special Committee of the Senate on Mass Media.

The question being put on the motion, it was—
Resolved in the affirmative.

ROBERT FORTIER,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

Wednesday, February 18, 1970.
(21)

Pursuant to adjournment and notice the Special Senate Committee on Mass Media met this day at 9.30 a.m.

Present: The Honourable Senators: Davey, (*Chairman*); Beaubien, Everett, Hays, Kinnear, Macdonald (*Cape Breton*), McElman, Petten, Prowse, and Smith. (10)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. Jerry Goodis, Advertising Executive;

Mr. F. Gerald Brander, Publisher, *Maclean's Magazine* and *Le Magazine Maclean*;

Mr. Ronald McEachern, Executive Vice-President, Maclean-Hunter, Limited;

Mr. Peter Gzowski, Editor, *Maclean's Magazine*;

Mr. Jean Sisto, Editor, *Le Magazine Maclean*.

At 12.55 p.m. the Committee adjourned to 2.30 p.m.

At 2.30 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (*Chairman*); Everett, Hays, Kinnear, Macdonald (*Cape Breton*), McElman, Petten, Prowse, Quart, Smith and Sparrow. (11)

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. Lloyd Hodgkinson, Director, Maclean-Hunter, Limited; Publisher, The Chatelaine Group;

Mrs. Doris McCubbin Anderson, Chatelaine Group; Editor-in-Chief, *Miss Chatelaine*;

Mme Fernande Saint-Martin, Editor, *Châteline*;

Mr. Ronald A. McEachern, Executive Vice-President, Consumer Magazines, Maclean-Hunter, Limited;

Mr. John Crosbie, President, Magazine Advertising Bureau;

Mr. F. Gerald Brander, Publisher, *Maclean's Magazine* and *Le Magazine Maclean*.

At 6.00 p.m. the Committee adjourned to 8.00 p.m.

At 8.00 p.m. the Committee resumed.

Present: The Honourable Senators: Davey, (*Chairman*); Beaubien, Everett, Macdonald (*Cape Breton*), McElman, Petten and Prowse. (7).

In attendance: Miss Marianne Barrie, Director and Administrator; Mr. Borden Spears, Executive Consultant; Miss Nicola Kendall, Research Director; Mr. Yves Fortier, Counsel.

The following witnesses were heard:

Mr. James P. Duffy, President, Ottawa Typographical Union;
Mr. Allan Heritage, Former President, Toronto Mailers' Union;
Mr. Allan Histed, President, Hamilton Typographical Union;
Mr. Robert Earles, President, Toronto Mailers' Union;
Mr. Ken Lefolii, Broadcaster and Commentator.

At 11.10 p.m. the Committee adjourned to Thursday, February 19, 1970, at 10.00 a.m.

ATTEST.

Denis Bouffard,
Clerk of the Committee.

SPECIAL SENATE COMMITTEE ON MASS MEDIA

EVIDENCE

Ottawa, Wednesday, February 18, 1970

The Special Senate Committee on Mass Media met this day at 9.30 a.m.

Senator Keith Davey (*Chairman*) in the Chair.

The Chairman: Honourable senators, I might call the session to order.

This morning we are going to receive a brief from Mr. Jerry Goodis of Toronto, who is another in our series of nationally known communicators.

I should perhaps emphasize that he is not here in his capacity as President of Canada's seventh largest advertising agency. Indeed, Mr. Goodis hardly conforms to the classic stereotype of an advertising agency executive.

His much publicized feud, or perhaps a difference of opinion would be a better way of describing it, with Marshall McLuhan is paralleled by his almost continual confrontation with many inside his own industry.

Now, I understand we did not receive a brief three weeks in advance. We did receive a brief only this week end which has only this morning been distributed to the senators, which you are now going to read from.

I think, Jerry, you have fifteen minutes to discuss your brief, and amplify it, explain it and following that there will be a question period. The senators will question you on the contents of your brief, on the remarks you make now, and perhaps on other things which are not covered.

Mr. Jerry Goodis: Thank you, Senator Davey.

Honourable Senators, I have a thin voice so I hope you can hear me reading this to you.

As a Canadian involved in communications, I welcome this study of our mass media and I welcome, of course, the opportunity to make this submission. I think this committee has already made a very profound contribution to the improvement of the mass media by placing before the Canadian people a true picture, for example, of who owns what, and where and how.

I should like to try and dig a little deeper into the "how" part this morning, if I may

—how the media serves or fails to adequately serve all of our people.

At the outset I should like to emphasize that I am not, as Senator Davey has suggested, an official representative or spokesman for my industry. I am not going to act as an apologist for, or as a defender of advertising. I have been invited to appear here as an individual. I understand that the Institute of Canadian Advertising will be presenting a brief to you at a later date.

I won't, and I suggest you shouldn't be surprised, if my submission differs or conflicts with the official ICA submission. I have a history of breaking ranks and contradicting the party line, much to the dismay of some of my fellow advertising practitioners.

I have, in the past, been critical of some advertising agencies, and some advertisers. I attack, when I can, the rude intrusions into our lives made by "Josephine the Plumber", "Wanda the Witch", "The Man from Glad", and other forms of White Knightism. I think my criticism of such styles of advertising and the people who foist it on the helpless consumer, the hapless viewer, stems from some kind of built-in defense mechanism which I have to keep well oiled in order to preserve my self-esteem.

As a result, I have been openly accused of biting the hand that feeds me and secretly asked how I get away with it. I have always been able to say the Goodis, Goldberg, Soren has enlightened clients who, while they may disagree sharply with what I say, would take issue with anyone who wanted to stop me from saying it.

So, allow me to say it.

We have a situation in this country where all of the income of the principal media is derived from the sale of space or time to advertisers. Income from the audience of the media, except in the case of newspapers, is non-existent or negligible.

Because this situation developed gradually and because it is now so much a part of our lives, we regard it as normal, right and inevitable. The benefit of course is immediately obvious. We have mass media because we pay for them in the form of advertising; access to radio and TV programming is free with the

purchase of a TV set or radio, a newspaper still costs only a dime and a magazine subscription costs the subscriber only a few dollars a year—on the surface, a real bargain!

However, as I watch TV, listen to radio and read our magazines and newspapers I sometimes wonder if this wholesale dependence on advertising is an unmitigated blessing. I wonder if it doesn't have some unfortunate consequences as well. I wonder if it's one of the reasons our mass media aren't as good as they should be or as good as they could be.

Allow me to be specific.

One of the findings of the 1967 Institute of Canadian Advertising submission to the Senate/House Committee on Consumer Credit (Prices) was that: Advertising expenditures contribute 75% to total revenues of newspapers and to between 86% and 96% of total revenues of broadcasting stations. You have heard these figures before.

According to the O'Leary Report it has become so difficult for consumer magazines to gain new subscribers that the total cost of soliciting and acquiring subscriptions is greater than the revenue from such new readers.

So it is apparent that the mass media have two distinct sets of customers. The one set made up of the viewers, listeners, and readers; the other set made up of advertisers. A set of nonpaying customers; a set of paying customers.

And there are two sets of people within the mass media. One set, the editors, reporters, directors and newscasters works for and supplies the non-paying customers. The other set, the business side, works for and supplies the paying customers. Often located on separate floors and often housed in different buildings they come together only at the top. In my experience it is the dog who normally wags the tail. In any conflict of interest the paying customer comes first and the free rider takes second place.

Am I suggesting that advertisers, because they pay the shot, impose their will on the mass media? Not at all. They don't have to. The competition among media for advertising dollars is so intense that, like any good salesman, they have become skilled at anticipating the requirements of their advertiser customers.

The business side of the mass media is devoted to building and selling the right audience; an audience of the right size and the right composition. Because the advertiser is

not interested in everybody. The advertiser wants to address those who buy and more importantly, those who can choose what they will buy, those whose choice is not dictated by necessity. In a word, the affluent. Pick up just about any media presentation or advertisement, aimed at advertisers and their agencies, and it reads sort of like a financial who's who.

Radio Station CFRB in Toronto runs an ad which says:

"Canadians 25 and over are the biggest spenders. Each week over one million of these big spenders listen to us."

In an ad for the *Hamilton Spectator* we read as follows:

"See the Hamiltonian. He lives and works in Hamilton. Hamilton is not like other metropolitan cities. It has the highest average weekly income.

Spend, Hamiltonian, spend. If you had his money you would spend too. Wealth, wealth, wealth. He is part of a billion dollar market."

A groovy piece of copy!

And of course, if you want to reach the market the ad says, you use the *Spectator* in Hamilton.

What are the results of the necessity to build an audience of affluent consumers to serve up to the advertiser a more affluent or more efficient audience than the next man? Editorial content inevitably comes to serve this end. The measure of editorial acceptability becomes how does it fit, or will it interest the affluent. As a consequence the mass media increasingly reflect the attitudes and deal with the concerns of the affluent. We don't have mass media, we have class media—media for the middle and upper classes.

The poor, the old, the young, the Indian, the Eskimo, the blacks are virtually ignored. It is as if they didn't exist. More importantly these minority groups are denied expression in the mass media because they cannot command attention as the affluent can.

The report of the Economic Council of Canada in September 1968 in a typically understated and austere fashion says: "The statement that one Canadian in every five—one Canadian in every five—suffers from poverty does not appear to be a wild exaggeration." But twenty per cent of our population is invisible too, or why would Senator Croll be going around this country like Diogenes

with his lamp, searching not for an honest man, but a poor man. Instead of stories and pictures about the poor, we more often get stories and pictures about the convenors of charity balls. And when the few reports on the problems of the poor do appear, they represent the point of view or the 'answers' of the government, the universities, of all kinds of "experts". What we don't see in the mass media is how the poor themselves feel about themselves or what they think could be done to improve their condition.

How revealing it is that those people from whose shoulders the burden of taxation will be lifted, according to the Benson White Paper, the poor, have not had one bloody inch—column inch—of space in print media. But the screaming, wild-eyed, middle class—I call them the rabid bullocks—have dominated the main pages of our newspapers for weeks. Go for their wives, starve a few Biafrans, submit some Canadian Indians or Eskimos to a few more indignities—silence from the middle class. But ask them to share the burden of running the country just a little bit more equitably, and pow!! our media gives these guys coverage equal to a thousand D-Days.

It's revealing too, how the media treat Indians and the Eskimos, when they talk about them at all. There are individual articles of course... about a brawl in a bar involving Indians, a report of a court case dealing with hunting rights; fragmented, confusing reports about Indian reaction to the 'White Paper'. But who reports the cause and extent of Indian poverty, the appalling state of Indian educational facilities, and the injustices inflicted on native Canadians, through government actions and our general apathy or prejudice?

In *The Unjust Society*, Harold Cardinal points out that "Television has brought to our homes the sad plight of the Vietnamese". Canadians hear about and care about the U.S. racial strife and starving Biafrans. They don't hear and feel the 'shocking reality' of life on the reserve.

And what about our young people? I think it's apparent that many of them do not see themselves or their point of view adequately represented in the mass media.

True. Commercials remind the bubble gum set to drink the 'in' cola, cover your blemishes, use the right toothpaste and get the guy. And every now and then a program or article focuses on some strange or shocking

example of young behaviour—usually to do with sex or dope. Like '15 year old pusher supports his own habit' or 'Yorkville Village crash pads spreads hepatitis, VD'. That is what they read about themselves in our mass—or class—media.

What is to a great extent ignored in the mass media are the things which I suppose are characteristic of youth. We were all like that when we were young, except we choose to forget when we were young. Like their continual questioning of the establishment "Why can't things be changed?" "Why can't we have peace?" they ask. The idealism. The bitterness and frustration with grown-up hypocrisy.

Out of desperation some of them have created a medium of their own, where they can at least tell each other how they feel. I was very happy to learn recently, that a group of underground press people is going to appear before this committee.

It is in the underground press that we can see the subjects the young are interested in, and read their often biting criticism of social injustices, their hopes for a changed and better society. I have an issue here of "Harbinger". Frankly, I am embarrassed to show it here, but I am going to submit it to the committee as an example of underground press journalism.

The first article is about labour practices at Eaton's. It mentions in passing that because of it's large advertising account in major papers, Eaton's has insurance against an unfavorable press. That is what the young kids think. Other articles discuss pollution, the status of native people, trial by media, draft dodging, and so on.

Shouldn't our sane, old society allow itself to be pricked into self doubt by the young, whatever strange (to us) packages they and their views may come in? I suspect that the disgust many people feel at the obscenity or rawness of the underground press (and you ought to read some of the four letter words in here) is part of the hypocrisy young people rail against. We'll pay \$10. a head and be happy to hear those four letter words in the safe entertainment setting of "Hair". But we draw back when the message is as blunt as the language that expresses it.

While print media are deficient in editorial coverage of minorities, leave a great deal to be desired in their explanations of how the problems of such groups come about and are laggard in mobilizing public opinion to better

such situations, the problem is acute—most acute—in broadcasting where advertising accounts for essentially all the income of the enterprise. Listening to radio and watching TV in this country prompts one to ask if, as advertising comes in the front door, does it bring entertainment with it and proceed to shove information out the window? Is the present state of affairs on radio and TV a potent of what will happen as the print media become more dependent on advertising revenue?

In my short lifetime radio has degenerated into background noise, enlivened by commercials and periodically interrupted with bursts of hysterical information about the fire at the City Hardware on Elm Street followed by a report of the latest international crisis ripped off the Telex on the way into the studio. Listen today and you will see what I mean.

Entertainment, if you call MUZACK entertainment, has proved the most economical way to create and maintain an audience for advertising. And it is becoming increasingly obvious that the principal occupation of radio stations is to create audiences for advertising. Sounds strange, coming from an advertising man.

And of course, on television what most Canadians see is the results of the wholesale importing of American programming. Because unfortunately, this is the cheapest way to build an audience for TV commercials and to fill in the spaces between them.

It's simple. Our television stations buy U.S. programs because it costs them less than producing their own. Murray Cherkover, in this morning's Globe and Mail admits it. Read it—very interesting. They don't even have the excuse of lack of native talent. Some of the best directors, writers and producers on the continent came from Canada—Norman Jewison—Harvey Hart. They are all writing and directing shows like "Andy Williams" and "Laugh-In", and the now smothered to death "Smothers Brothers" show. Maybe if more shows, more work, had been done here instead of imported from there, these talented people wouldn't have left our country in the first place.

Television, the principal educator of our children and many of our adults, has been virtually abandoned to U.S. programming. And hear, hear, for Mr. Juneau.

I think all of us are aware that this American influence must—must—have a serious effect on the way our children think about

their own country, and their awareness of Canadian culture, Canadian history and Canadian problems.

My concern that kids are losing their awareness of a Canadian identity prompted me to do a little research of my own.

Quite unscientifically, people in my agency prompted me to go to two classrooms and ask questions. I did that; I asked questions of fifty nine Grade 5 students at a suburban school in Don Mills, known as a very sophisticated educational system. These students at Overland Drive Public School were nine or ten years old. We had a question and answer period which we taped—I am going to table the tape for your committee. Then I had a questionnaire which I asked the children to fill in, asking them who certain people were.

The results were, to say the least, thought provoking.

All of the kids knew who the Frito Bandido and Maxwell Smart are. I wonder if you do?

Senator Beaubien: I don't.

Mr. Goodis: I will fill you in, Senator.

Forty-eight of the fifty-nine knew that George Washington was the first President of the United States—predictably—okay. Only one child knew Louis Riel. Thirty-nine knew who Abraham Lincoln was. Three children—three children—had heard of Wilfrid Laurier.

Mr. Fortier: Did they spell it that way?

The Chairman: Carry on. The question period will be later, Mr. Fortier.

Mr. Goodis: Twenty-eight could identify John A. Macdonald—not bad. Of the others, one girl was so brainwashed by American television advertising that she related the name John A. Macdonald to "a place that makes hamburgers".

The complete results of this survey are attached to my brief. I will not bore you by reading them here. Please study them later.

But what you can't get out of facts and figures is the way the kids responded. There was an overwhelming, happy, spontaneous response to TV questions—they roared the correct answer in unison, you will hear it on the tape, when I asked who Clark Kent was.

Senator Beaubien, do you know who Clark Kent is?

Senator Beaubien: No.

Mr. Goodis: He is Superman—while much hard thinking and puzzlement followed questions about Canada. There was a very long pause when I asked who our Governor General was, before I got the hesitant answer "I think it was or is Roland Michener". I think the kid is trying to tell us something. Only one child knew what the Governor General's function was. Television seems to have much more power than schooling or anything else in implanting knowledge that stays in the forefront of the mind. That knowledge is not of Canada.

Our mass media are Americanized. Canadian culture is degraded and polluted by American overflow. Our media are safe, middle-of-the-road politically, socially, intellectually. They reinforce our already formed opinions and prejudices, and generally avoid unpopular causes or ugly truths.

I think it's noteworthy that it's in the single medium where there is no advertising at all, where the audience pays the whole shot—it is in books that positive, serious social criticism must start. Michael Harrington brought to light the millions of buried, invisible poor in America. Ralph Nader, all by himself, (I have the book. I am leaving it with you), made us aware of the fact that our cars are unsafe, and poisoning us all into the bargain. Where were the mass media? Sitting at home, filling us up with a diet of carefully controlled news and warm reassurances from automotive industry PR men. Just think how many lives might have been saved if the mass media had done even a little of Nader's work for him, before the young lawyer talked himself hoarse to make people listen.

And take pollution. Sure, right now newspapers and television are very big on the subject and that's great. But where they ten years ago when Rachel Carson wrote "*Silent Spring*"? Why didn't the newspapers, radio and television do the research, cause the reaction, and get the public and the government moving years ago?

In Canada, there's Walter Gordon. He had to make a thousand speeches, write a book and commit political suicide (or was he murdered?) in his effort to explain how we are selling this country piece by precious piece to our neighbour. Our mass media watched him do it, as a passer-by watches a lonely man balancing on a high windowsill. They watched him, reported what he said, but with the exception of The Toronto Daily Star and

a handful of others, made hardly any attempt to sympathetically interpret his case.

Harold Cardinal was so totally frustrated by the lack of understanding of the government and the Canadian people in general, he wrote a book to tell the rest of us how it really is on the reserve. He is not content to let us rest on our prejudices, accepting what the media care to tell us.

Writers like Cardinal and Nader expose problems and inform us of things we may not want to hear. They strip away the comfortable excuse of "I never heard-read-saw anything about that. How could I know?" And we can expect more books like theirs. Somewhere, an articulate Eskimo may be getting ready to tell us more about second class citizenship and the benevolent, misdirected welfare-statism to which his people are subject. A book has just been written about how far we have gone already in selling water to the U.S.A. It's called *Continental Water Boy*, by Donald C. Waterfield.

I doubt that such stories could start in the mass media. Because, in the mass media, there's little room for a critic of business or government until an overwhelming case is made that can no longer be ignored. Likewise, in the mass media minorities' problems tend to be pushed aside.

Of course, this is a blanket condemnation. And there are exceptions. The Toronto Daily Star, The Montreal Star, Le Devoir, to name a precious few, have consistently attempted to speak up for the minorities. Individual columnists and commentators—Peter C. Newman, Stanley Burke and Ron Haggart are names that come to mind—and there are others. They have tackled unpopular causes with conviction and supreme journalistic skill. Especially in the CBC, television producers have worked minor miracles to overcome apathy and bureaucracy to alert us to subjects we might find unpleasant or unpalatable. The exceptions are too few. And their revelations carry too little weight.

It's time, it's past time for change. And I'm glad your committee is diagnosing the ills afflicting the Canadian mass media. Because I think we should realize by now, that we can't hope to have participatory democracy, we cannot achieve the Just Society, (they are simply political slogans) without some fundamental changes in our mass media.

The mass media are controlled by a handful of men—you have already exposed that.

The income of these media is almost wholly derived from about 100 big businesses in Canada. And about 70 per cent of Canadian big business is owned in the U.S.

It's not very surprising then, that the content of the mass media is influenced by their commercial interests. That they cater to the affluent, and neglect the poor and the minorities. Or, that they choose the cheapest, easiest way to build an audience, with made-in-America 'culture'. The problem in the mass media seems to be one of imbalance. There is too much emphasis on publishing and broadcasting as business, and too little emphasis on publishing and broadcasting as instruments of social progress.

In too many cases, the media do not lead the way to informed opinion, but rather, support the status quo.

They are not as honest, as accurate or as free as they have to be to fulfil a truly useful role in a world that's changing faster than most of us can understand.

In closing, I'll read a few lines from a prophetic song by Bob Dylan, whose words are very much in tune with the feelings of tomorrow's leaders of the country, if we have a country left:

Come senators, congressmen, please heed the call

Don't stand in the doorway, don't block up the hall

For he who gets hurt is he who has stalled

The battle outside is raging.

It'll soon shake the windows and rattle the walls.

The times they are a'changing.

Honourable Senators, it's time that we too changed with the times. Before it's too late.

Thank you.

The Chairman: Thank you, Mr. Goodis. Perhaps I could inform Senator Beaubien that Maxwell Smart is on an American television program, seen in Canada, called "Get Smart". I guess you would call him a sort of comic-opera detective—is that it?

Mr. Goodis: A bumbling detective.

The Chairman: But I must say that even I don't know who the Frito Bandito is, and neither does Senator Beaubien. Could you enlighten us?

Mr. Goodis: Frito Bandito is a character in a television commercial which sells potato chips, or something, and all the kids know it.

The Chairman: Is he a Canadian?

Mr. Goodis: No, the commercial is an American commercial made in the United States.

The Chairman: I must say, because I know Mr. Goodis well, that he was uncharacteristically nervous before this presentation this morning. Why? Do you find it difficult to appear before a Senate Committee?

Mr. Goodis: Yes. People in my profession telephoned me—the word got out that I was going to appear before this Committee—they said, "Don't say what you really think because you are going to get into all kinds of hot water".

Senator Beaubien: Have you said what you think?

Mr. Goodis: Absolutely. I had more to say, but Senator Davey said that I had fifteen minutes and I took twenty, I think.

The Chairman: You took twenty-five.

Mr. Goodis: It reminds me of the story of two Jewish partisans who were caught in Poland during the war by the Nazis. They were sentenced to death, of course, right on the spot, tied to a tree, and just as the German lieutenant was saying "Ready, aim—" one of the partisans screamed "Stop! Halt! I demand, as a citizen of Poland, a blindfold".

Whereupon the other partisan, next to him at the other tree, leaned over and said "Irving, don't make trouble". That is the thought that ran through my head when my friends said, "Don't go to that Committee".

I said, "Look, I am subpoenaed, I have to go".

Mr. Fortier: Mr. Goodis, have you ever thought of going into politics?

Mr. Goodis: I have a deal with our Prime Minister.

Mr. Fortier: Tell us about it.

Mr. Goodis: He has agreed to stay out of advertising if I agree to stay out of politics.

No, I have not thought of going into politics.

Mr. Fortier: Supposing you had another deal with the Prime Minister, Mr. Goodis, and

he appointed you Czar of the written and electronic media, how would you go about curing the ills that you have described in our brief?

Mr. Goodis: Well, that's a tough one.

Senator Prowse: That's our problem.

Mr. Goodis: Well, if I had all the answers, yes, you wouldn't need this Committee, I guess.

Mr. Fortier: All we need is the assistance of people like you.

Mr. Goodis: I come to this Committee like a nervous intern before an operation.

It would be the pinnacle of presumption for me to show you, Honorable Senators and Mr. Fortier where to make the incisions and what to remove and how to fill it up nice and neatly. I am just an intern. If I had all the answers, you wouldn't need this Committee.

As I say, I am not sure where I would start. I am not sure I have any original suggestions of my own. I wholeheartedly support the efforts of Pierre Juneau of the CRTC.

The new rule requiring 60 per cent Canadian content overall and the minimum of 60 per cent, I think it is, in prime time is an absolutely necessary step but it is going to cost us a lot of loot, a lot of money, and the government and the taxpayers and my clients and me, I guess, as taxpayers, are all going to have to pay for it, to recreate the Canadian programming that we have let slip away.

I think the results can only be good, if that becomes law. With more Canadian content, there will be great opportunities for employment of Canadian talent, for example.

It is our last big chance to develop talent that has been suffocated by the American overrun or as Mr. Juneau said something to the effect that the "CRTC is searching for ways to give the CBC a more imaginative role in developing a Canadian intellectual and cultural life", and I subscribe to that thesis.

Private broadcasters are screaming that it is going to cost money. I know of no TV station in North America that has ever gone broke. Chercover in this morning's Globe, to my disgust, says that it is going to cost a lot of money and we are going to have to do something and he is crying. They are just fine, I would like to have stock in that company, as a matter of fact.

Senator Beaubien: Which company, not the CBC?

Mr. Goodis: Oh no, he is from CTV. I wouldn't like to have stock in CBC.

Senator Smith: Give everybody a share of CBC and make the people pay their part of the deficit every year.

Mr. Goodis: May I finish my answer. You Senators should be warned that when you ask a short question, you get an awfully long answer.

I have read that someone has recommended the establishment of a National Press Council. I think that could be a good idea in spite of the fact that it has some dangers—you know, the hands of incompetence. It could become a way of toning the news, suppressing the news, a way of perhaps even censoring the news. That could be bad, but it also could be good. It could raise the level of reporting and it would be beholden to no one because there would be no advertising in it.

The Chairman: We are delighted to have the witness give long answers, but he is answering questions which have not been put.

Mr. Goodis: Oh, really!

Senator McElman: With the upgrading of the Canadian content, do you believe that Canadians will develop their own originality or will they come up with Canadian versions of "Hoss Cartwright" and "Maxwell Smart?"

Mr. Goodis: Oh, God help us!

Senator McElman: I agree.

Mr. Goodis: At first, yes. English-Canadian talent will tend to ape and copy America, but you know, in French Canada where they don't have the problem of American cultural pollution, they have developed the finest and most talented actors, writers, directors and producers, because they have been forced to, in my view, they have been forced to, and they have happily developed. They do their own thing, as the young people say.

Mr. Fortier: That is why Senator Beaubien didn't know about the American Personnel.

Mr. Goodis: Oh, I see.

That is developed over the years and ultimately I think we too will develop a true, original Canadian culture but we must stop imitating those guys below the border.

So, in the first few years, maybe we will have pale imitations of "Hoss Cartwright". Why doesn't somebody do a show about Louis Riel or Joseph Papineau or someone like that?

The Chairman: I think Senator Everett has some supplementary questions and then Senator Hays.

Senator Everett: The basis of your brief is that our media are advertiser oriented. Let us take the newspapers for example. You say they won't deal with issues because of some influence of the advertiser, they are going to stay on safe ground.

Quite frankly, that isn't a new comment. We have been aware of it and I think all Canadians have been aware of it for quite some time.

What really would be of interest to this Committee would be to know what you would do about it.

Mr. Goodis: I said before, Senator, that I do not have stock answers. It is a terrible problem.

Senator Everett: I'm not asking for a stock answer. I am asking for an indication. You have obviously thought about the problem and you think it is the overwhelming problem of the media. Surely you have got some indication of the way you think it is going to go or suggestions that we might take to overcome this defect that weights so heavily on your mind.

Mr. Goodis: Well, I do not have concrete suggestions, really, outside the suggestion I made for a National Press Council. It is not my suggestion, I am echoing another submission. I think it is an excellent idea. I think rich publishers should hire some writers from the poor, put them on the staff to express how the poor feel about their lot in life, how they got there and how they can get out of there. I don't know whether that is a concrete suggestion.

A lot of rich publishers have poor writers—Lubor Zink and Mackenzie Porter. They are poor writers. Maybe the underground press should be bought out by a large newspaper and printed holus-holus as a part of their newspaper.

Senator Everett: Do you think it would improve if...

Mr. Goodis: Well, young people would start reading the paper.

Senator Everett: ...if the wealthy publishers owned the underground press?

Mr. Goodis: No, if they merged them into their own papers and let the kids say how they feel in their language.

Now, I am not suggesting that we encourage them to use four-letter words because that is what we get out of it, really, and we miss the main point. They want to say how they feel about things in general from their own point of view, not how some college professor thinks they feel about some social or political issue. Is that a concrete suggestion? I don't know. I really am hard put to come up with a definitive path for this Committee to take. I think you have already made a grand head start by placing it on the public agenda. You will figure something out, I'm sure you will. I wish I could help you.

Senator Hays: I was wondering, Mr. Goodis, are there any countries that you are familiar with that do comparable jobs?

The Chairman: To Canada?

Senator Hays: Yes.

The Chairman: That have a comparable problem as he has described?

Senator Hays: Yes.

The Chairman: Are you familiar with countries that have a comparable situation?

Mr. Goodis: The United States, I suppose, has.

Senator Hays: Do you think it's better than the Canadian?

Mr. Goodis: Far worse, I would guess. I don't operate in the United States, so I don't know. I only observe their media from a distance.

Senator Hays: Do you think they have greater problems than we have?

Mr. Goodis: Oh yes, I think so.

Senator Hays: Do you know of any countries that you feel are doing a better job than we are as far as this situation is concerned?

Mr. Goodis: No, I am not aware of any countries who are doing better than we are. We have much to be embarrassed about and much to be proud of too. It is a mixed bag. The very fact that we can have this Committee is a great thing, because somebody, somewhere is worried.

I guess Senator Davey in the first place was worried and then you Senators were worried and therefore we have a committee but I am not an expert in international communications. I hardly know anything about the Canadian media.

The Chairman: Speaking of you being an expert in international communications, I think the Senators might be interested, and I would myself, with what is the difference of opinion you have with Marshall McLuhan? What is his position and what is yours?

Mr. Goodis: I thought that issue was dead and buried.

The Chairman: Well, I mentioned this in my introductory comment.

Senator Prowse: It's resurrected.

Mr. Goodis: I think he is a charming man. I have no issue with him as a man. I take issue with some of his ideas which I think are dangerous.

"It doesn't matter," says Marshall McLuhan, "what you put on TV as long as you put it on". "The medium is the message".

In all the reading that I have done of Marshall McLuhan, upon checking what he has written, he has twisted history in order to fit his theories.

The other thing that I wonder about Marshall McLuhan sometimes, is, I am either a very stupid man—and people have suggested that—or that man can't speak English.

He and I were to appear on TV once, and we both chickened out. I was afraid of him, because I was afraid I couldn't understand him and he refused to bring an interpreter with him so that was the end of that.

I think the man is dangerous. As a man, he is charming. I think his ideas are quite dangerous.

Immovable type, he says, is passé and the printed word. The man became famous with the printed word. He bites the hand that feeds him, just like I do, I guess.

I am sorry I have not prepared myself for a long dissertation on Marshall McLuhan—perhaps tomorrow.

Mr. Fortier: Do you suggest, Mr. Goodis, that newspapers constitute a very powerful medium?

Mr. Goodis: Absolutely.

Mr. Fortier: They do?

Mr. Goodis: Yes.

Mr. Fortier: How would you compare their effectiveness as a conveyor of messages to television?

Mr. Goodis: I'm not sure I understand that question.

Mr. Fortier: How do they perform their role as purveyors of information as opposed to television?

Mr. Goodis: I think terribly effectively, newspapers do. Television does too. The thing about a newspaper is that you can keep it, put it away, take it out and study it. Television is here and gone with the wind, so to speak.

Mr. Fortier: Is there a substitute for a good newspaper?

Mr. Goodis: No.

Mr. Fortier: Do you know of a good newspaper?

Mr. Goodis: In Canada?

Mr. Fortier: Yes, in Canada.

Mr. Goodis: Oh, yes, a dozen.

Mr. Fortier: You do?

Mr. Goodis: Sure.

Mr. Fortier: Do you know of a good television station?

Mr. Goodis: The CBC National Broadcasting—the programs that emanate from the CBC nationally.

Mr. Fortier: Do you listen to radio?

Mr. Goodis: Of course.

Mr. Fortier: The CBC radio, is that a...

Mr. Goodis: Yes.

Mr. Fortier: Do you have any clients?

Mr. Goodis: After today, I wonder.

Mr. Fortier: Let me ask you a serious question. For example, I am looking at paragraph 24 of your brief where you say "drink the 'in' cola, cover your blemishes, use the right toothpaste and get the guy."

Do you have any toothpaste clients?

Mr. Goodis: No, or how could I make that statement?

Mr. Fortier: Do you have any cola clients?

Mr. Goodis: Of course not.

Mr. Fortier: Any cosmetics?

Mr. Goodis: Yes, yes we do.

Mr. Fortier: Tell me, you are a very outspoken man, have you ever lost any client as a result of your well-publicized views, such as those you have expressed today.

Mr. Goodis: Yes.

Mr. Fortier: Would you care to give us instances?

Mr. Goodis: I would not care to, because it would compromise the people who still work at the company.

I lost a large American corporation because I spoke out against American domination of our country and forty-eight hours later, we were fired, but I can not give you, unless I am forced to, the name of that company.

The Chairman: You are not forced to, but why won't you?

Mr. Goodis: Because people who work at that company in Canada are still friends of mine, and I would rather not, Senator Davey.

The Chairman: Do we need to know the name of the company?

Mr. Fortier: It is up to you, Mr. Chairman.

The Chairman: I don't think we do, then.

Mr. Fortier: Everybody knows what the name is.

The Chairman: I know, and I think you people know, but...

Mr. Goodis: Write it down on a piece of paper and if you are right I will give you a year's supply of the product. I can't stop being an advertising man.

Mr. Fortier: Which one of the products?

Mr. Goodis: That will give it away.

Senator Everett: In this sheet that accompanied your brief on who you are and what you have done, you state that "Some of the advertising campaigns for which his agency has derived industry fame are those created for Greb Hush Puppies, Speedy Muffler King,

Hiram Walker, Dupont, Aluminum Company of Canada, Formosa Brewery, Tambllyn Drugs, Wonder-Bra, Texaco, Robin Hood, Fiat, Salada Foods, Robin Hood Flour and others." Can you tell me what fame your agency derived from, say, the Wonder-Bra campaign?

Mr. Goodis: Yes, we sold a lot of brassieres for the company—very tasteful, good, sophisticated fashion advertising on TV.

Senator Everett: Can we be the judge of that?

Mr. Goodis: It was a series of television commercials. Would you like me to describe it.

Senator Everett: Please do.

Mr. Goodis: A photographer taking photographs of a model dressed in very fashionable clothes—dressed in very fashionable clothes—with the suggestion that underneath she is wearing very well-designed and well-fitting garments and the commercial has some very effective music behind it.

It was also a radio commercial, in supreme good taste, in our view and affected the sales of the company for whom we worked.

Senator Everett: Up or down?

Mr. Goodis: Up.

Senator Prowse: What is a bra supposed to do?

Mr. Goodis: If the sales went down, we would call it a reverse upward trend. We never admit that sales go down.

The Chairman: Senator Everett, you don't wish to pursue that line?

Senator Hays: Apparently, they didn't sell in Winnipeg.

Mr. Goodis: You haven't seen the commercial.

The Chairman: I'm not sure why they didn't sell in Winnipeg.

Mr. Fortier: Mr. Goodis: can the contemporary journalist, and I'm referring here mainly to the newspaper aspect of your presentation, do you think he can adjust to the changing society which you describe.

Mr. Goodis: I doubt it.

When the power to effect social and political change is in the hands of the establishment, which is what it is in the hands of in our country, the slow ponderous pace of change is called evolution and when that power falls into the hand of people, it's called revolution, I guess.

In an evolutionary society where manipulative mass communication is so vital to the preservation of the status quo, journalists grow on trees. There are all kinds of them. We need them. We use them.

In a revolutionary society, those same journalists don't grow on trees. I am afraid they hang from them.

I don't think many of our journalists today will be able to change, and it is changing. We can sit here in this fancy room, protected from the outside, but it is changing. Otherwise, why do we have papers like that and rioting in the streets in—in other countries even just below the border.

Mr. Fortier: Montreal—we don't have to go over the border.

Mr. Goodis: It's not quite as bad, but it's coming.

I am not talking about rioting but I am talking about the change that is taking place so fast that even you and I can't see it.

The Chairman: In this revolutionary society you are talking about, will there be a place for advertising agencies?

Mr. Goodis: That's a very interesting question, Senator.

I hope so, otherwise I will have to open a chain of Ladies Ready-to-Wear stores.

There will be a Ministry of Propaganda I suppose. I don't know. It depends on what kind of a society we are going to evolve into.

Yes, I think there will. We will always have to sell goods to people and that's okay. I make my living selling goods to people who have money and there's nothing inherently wrong in that. That is fine, and if anyone in this room suggests that I think it is wrong, they have missed the main point of my submission.

It is okay to sell goods to people and the media do an excellent job of delivering those audiences. My point is, there are four million people in this country they don't give a damn about. That is what upsets me, because they don't have the loot to buy the brassiere.

Senator Hays: There are people prepared to pay four dollars or five dollars a month for cable TV which adds up to sixty dollars a year. Do you think the government should go back and reinstitute licenses for TV to cover some of the cost of the CBC?

Mr. Goodis: Yes, Senator Hays, absolutely.

As a citizen, I am prepared to pay the government two hundred dollars per year if it will stop Maxwell Smart from tromping through my living room every night.

I am prepared, and I think we all should be prepared, to help pay the shot. We cannot speak with forked tongues.

The Chairman: Can't you stop Maxwell Smart from tromping through your living room by changing the channel?

Mr. Goodis: No, my kids like to watch it, Senator Davey.

I can legislate him out of the house until I have to go to the movies and then he is on again.

If it isn't Maxwell Smart, it is Frito Bandito.

Senator Hays: What you want is to be able to buy...

Mr. Goodis: I think—I'm sorry, Senator Hays—that is a good idea and if that is what it takes, I'm all for it. Just don't take any money from those four million people who can't afford it. Take it from the affluent like you and I.

Senator Hays: Do you feel then that this charge should be passed on to the consumer, rather than taken out of the Federal Treasury?

Mr. Goodis: Perhaps we should all contribute. We all own the country.

Senator Hays: Well, we do anyway, but...

Mr. Goodis: Perhaps we should all pay.

Senator Hays: This is the easiest way probably to get at what you are suggesting.

Mr. Goodis: I would think that is an excellent suggestion. Watch me get a letter from Mr. Bullock.

Senator Prowse: You feel then that the necessity of advertising revenue has resulted in the deterioration of the press performing a function that we generally think of when we talk about free press. Is this true?

Mr. Goodis: Unquestionably. If we have twenty million people in this country and we are only serving the interests of sixteen million people, then your definition stands.

Yes, I agree it has deteriorated.

Senator Prowse: Do you think that it is probably true that as long as we have newspapers and TV and radio that are of necessity business institutions, that they must have revenue to stay alive.

Mr. Goodis: Yes, they must.

Senator Prowse: And that revenue must come from this same source.

Have you got any suggestion at all as to how we could reconcile their ideal public duty with the business necessity of staying alive. This is the problem.

Mr. Goodis: There are a number of newspapers in Canada doing it now.

I read about a forum that the *Daily Star* had with Mr. Benson last week. It was quite a forum. It was quite a forum that the *Star* had on the poor and on pollution.

The *Star* is the largest newspaper in Toronto (I guess it is the largest newspaper in the country). They are doing just fine. There is a company I would like to own stock in. It can be done.

They are also delivering to my clients an affluent audience and the *Montreal Star* does much the same thing.

I see Gzowski sitting here. He writes, and his people write excellent stories about those people in our country who are not represented and I would imagine they are doing just fine. He has made a qualitative change in that magazine for the good.

It can be done, but advertisers think they have to deliver that affluent audience to the exclusion of the other people who are crying to be represented. That won't drive their advertising sales down. It might even drive them up.

Senator Prowse: This may be the area we can find an answer in, if we follow it.

The big strong institution like the *Toronto Star*, has enough confidence in itself that it knows the advertiser needs it the way it is. It doesn't have to tailor itself to the advertisers.

Mr. Goodis: Yes.

Senator Prowse: Now, does the damage come from institutions who because of their insecurity or lack of self-confidence then tailor themselves for their advertiser and not for their social responsibility.

Mr. Goodis: Absolutely.

Senator Everett: So, the wealthier the station, the wealthier the newspaper, the more chance...

Mr. Goodis: Well, I would not make that leap. It has nothing to do with wealth. It has to do with journalistic skill and journalistic prowess. That is, yes, how the *Montreal Star* got to where it is and *Le Devoir* and the *Toronto Star*—by being very good newspapers to begin with.

Senator Everett: Then would you say that if the people who are in charge of the media understand their capabilities and skillfully exploit them in the sense that they keep the public duty in mind, they can serve both customers to the benefit of both.

Mr. Goodis: Absolutely. It is being done.

Senator Macdonald: On that same thing, I take it from page three of your brief that you are saying that advertisers don't have to try to exert pressure because the editorial side try to anticipate what the advertiser wants and follows that line.

Mr. Goodis: You are reading it, or I probably read it a little too literally.

I didn't mean that the editorial people write what the advertiser wants them to write. Not at all, they don't exert that kind of pressure nor do the editorial people feel compelled to write to satisfy the needs of Eaton's or Simpson's.

They are writing to a class of people, by definition, the people who they think are reading their paper, who also have money to open a charge account at Eaton's. That is what I mean in general terms.

I know of no case where an advertiser has said to a newspaper or a TV station, "take that program off or don't write that article or we will remove our advertising". I have heard rumours like that, but I could cite no case that I could back up with evidence.

Senator Macdonald: That is not quite what I meant. Publishers have come here and said, Now there's absolutely no influence by advertisers on their editorial policies but it was suggested that newspapers hire people on

their editorial side who they know are in sympathy with the newspapers point of view.

Mr. Goodis: You are talking, Senator, about political things then, are you?

Senator Macdonald: No, in relation between advertising and the editorial policy.

Mr. Goodis: I'm not sure how to answer.

The Chairman: I think if I could perhaps clarify the question.

Mr. Goodis: I don't understand it.

The Chairman: Well, all right. You made the point which Senator Macdonald takes that direct specific influence by advertisers...

Mr. Goodis: ...is not necessary.

The Chairman: Not only is it not necessary, it is just not done, presumably.

Mr. Goodis: Right.

The Chairman: I think what Senator Macdonald is asking you, how then is it done. What is this influence you are on page three, "Am I suggesting that advertisers, because they pay the shot, impose their will on the mass media? Not at all. They don't have to."

Well, I think what Senator Macdonald question is, why don't they have to.

Mr. Goodis: If we take as read that the mass media depend on delivering an audience to advertisers, in order for them to make a living—if can we agree on that—THAT—then it follows that in order to keep that audience, you write to that audience, you satisfy that audience.

That is their market, the people who read that newspaper or watch that television station are their market because if the market changes and the market stops reading the newspaper, or stops watching the television station, suddenly we don't have as many affluent people to whom that television station can deliver to an advertiser, and then they are in big trouble, as you, Senator Prowse, suggested.

So, you satisfy your market. You satisfy that segment of the community from which you draw your living and that's fine.

I am saying that there is an imbalance and that they should both satisfy the affluent people and reflect what's going on in the rest of the country—four million Canadians. It can be done and they can continue to make lots of money and the airways don't belong to

Murray Chercover, they belong to you and me and the people...

The Chairman: I am not sure the Senators know who Murray Chercover is.

Mr. Goodis: Oh, Murray Chercover is the President of CTV and he is on my mind now because he made the foolish statement in the press today. Have I answered your question, Senator?

Senator Macdonald: Yes, you are doing fine.

Mr. Goodis: I'll probably be out of business when I get back.

Senator Macdonald: Go a step further and take the newspapers. They don't talk about the plight of the Indians and poor because that is not a market for the goods that their advertisers are selling.

Mr. Goodis: I didn't say that. I said they talk about the plight of the poor from our point of view. They talk about the plight of the Indians from our point of view. How many newspapers in this country reprinted *Harold Cardinal's* book? I know of one, and there are probably a couple of magazines that did it, perhaps *Maclean's*.

I see Mr. Gzowski is signalling me back there. Maybe I am wrong.

Harold Cardinal is an Indian and he said it the way it is and he makes some sweeping condemnations of guys like me and you and our government and nobody wanted to print it except a couple of social-conscious newspapers.

They are not in business just to make money. They are in business to carry accurate news and information about every segment of our population and some of them are doing it, but most of them are not.

You had K. C. Irving here and someone asked why don't you carry stories about pollution in the *Fredericton Gleaner*. I don't know what he answered, I wish I had been here to hear the answer.

Senator Everett: You have given us examples such as the *Montreal Star* and *Toronto Star* of papers who do not suffer from this subtle influence. Can you give us a couple of notable examples of newspapers who do?

Mr. Goodis: Subtle influence?

Senator Everett: Well, I think you say that

there is a subtle influence because they derive their revenue from the advertiser, they will not print certain articles from the viewpoint of the people involved.

Mr. Goodis: I have heard, and I cannot back this up with facts, Senator Everett, that a newspaper in Alberta would not print excerpts from Mr. Cardinal's book. It is that kind of thing that is a rumour and that you hear in the industry. I don't want to get anyone into trouble, but all newspapers are guilty of one part of my charge, some of them, as I keep saying over and over again, do it well by talking about unpopular causes and taking up unpopular issues but they are precious few.

So, they all write to the affluent audience. They must, in order to stay in business. It is not a crime. I guess you and I would do the same thing.

I am only saying that there is a terrible imbalance.

Senator Everett: Isn't it a good thing to write to the affluent audience?

Mr. Goodis: Sure.

Senator Everett: Presumably, if you want to rectify social injustice, those are the people that are going to do it, aren't they?

Mr. Goodis: The middle-class—rectify?

Senator Everett: I say, those are the people you have got to get to in order to do it.

Mr. Goodis: In order to effect change?

Senator Everett: Doesn't that come down to your concept of evolution as opposed to revolution?

Mr. Goodis: Well, there have been middle-class revolutions and there have been working-class revolutions too, in our recent history.

Who effects change in our society? I guess the large middle-class—the silent majority until you go for their bankbook.

That is not really the point of my submission, Senator.

Senator Everett: Then I have missed the point, and I would like to be enlightened as to what the point is.

Mr. Goodis: Should I start on page one?

The Chairman: I think you should start with your conclusion.

Mr. Goodis: May I?

The Chairman: Yes.

Mr. Goodis: Is he a hostile witness or am I?

The Chairman: You're the hostile witness.

Mr. Goodis: Forgive me for being facetious but I thought we had covered it.

Senator Beaubien: Before we go to the conclusion, can I ask a question?

The Chairman: You can, but let's deal with Senator Everett's question, Senator Beaubien.

Mr. Goodis: "The mass media are controlled by a handful of men." You have established that. I didn't establish that—your Committee did. "The income of these media is almost wholly derived from about one hundred big businesses in Canada." I have a list which I will leave with you. "About 70 per cent of Canadian big business is owned in the United States."

It is not very surprising then, that the content of the mass media is influenced by their commercial interests." They do it in order to stay in business. That is not a crime, and I do not suggest that it is. "That they cater to the affluent, and neglect the poor and the minorities. Or, that they choose the cheapest, easiest way to build an audience, with made-in-America "culture"." (We are talking about broadcasting media here.)

"The problem in the mass media seems to be one of imbalance. There is too much emphasis on publishing and broadcasting as business," (delivering the affluent audience,) "and too little emphasis on publishing and broadcasting as instruments of social progress."

That is the point of my submission.

Senator Everett: You say that certain newspapers and I think, notably, the CBC...

Mr. Goodis: Yes.

Senator Everett: ...do not suffer from the defect of not dealing with the problem, but you say that they all suffer from the defect of dealing with the problem through the eyes of the affluent. Is that correct?

Mr. Goodis: No. I said some of them also look at problems through the eyes of the disenfranchised. Some of them, notably the *Montreal Star*, *Le Devoir*, the *Toronto Star* and a handful of others.

Have I answered your question? Do you understand what I'm trying to say? I may be wrong. You may disagree. I just want to be sure that you understand my position—my point of view.

Senator Everett: Well, if I do understand your point of view, your point of view is that the social issues that affect the disenfranchised should be written to appeal to the disenfranchised, not to appeal to the affluent.

Mr. Goodis: It is not a question of appealing to. It's written from their point of view so that you and I can gain some understanding with their lot in life and perhaps help them. That is where the deficiency is.

We have a Senator running around the country with a butterfly net looking for poor people. That is because nobody ever writes about them in a meaningful way. And that is missing from our media, the media belongs to the people of this country, even though they have to be a business, even though they have to have advertising dollars.

I give them ten million advertising dollars a year and I am glad to because they deliver the audience I must have for Wonder-Bra.

The Chairman: I think if I could interpret Senator Everett's point, I think that you have not taken the point that he is making. I think the point that he was making is that it would be in the interests of the disenfranchised, it would be in their long-run interests if the media were to do these things that you are recommending.

It would be in their long-run interest because the people to whom the media are presently appealing are the people who could be helpful.

I think that was the point he is making.

Mr. Goodis: I agree. I am sorry that I missed it.

Senator Everett: It seems to me that, for instance, the underground newspaper will not appeal apparently, to the sort of people who are probably most going to influence the decisions regarding the disenfranchised and it seems to me that it begs the question to say that the newspapers should just include the underground press as part of their...

Mr. Goodis: Senator Everett, I was being facetious...

Senator Everett: My sense of humour is not well-developed this morning.

Mr. Goodis: Mine isn't so hot, either. How would you like to run this sketch from *Harbinger* in the *Fredericton Gleaner*.

The Chairman: We heard from Gratton O'Leary on that yesterday.

Mr. Goodis: I did not mean that.

Senator Everett: Well, I answered the question.

Mr. Goodis: That would drive the circulation—it would drive it down because so many people would have heart attacks when they see that thing, they would lose readers.

Mr. Fortier: Do you really believe that?

Mr. Goodis: No, I'm making a joke.

Mr. Fortier: Well, then my sense of humour may be a little—I had a longer night's sleep than Senator Everett.

Do you feel that there is such a thing as obscenity is a newspaper?

Mr. Goodis: Of course.

Mr. Fortier: Is there?

Mr. Goodis: Of course.

Mr. Fortier: All right then, what is your definition—not a legal definition—what is your concept of obscenity? Is that sketch obscene?

Mr. Goodis: Oh, sure.

Mr. Fortier: That is obscene?

Mr. Goodis: Oh, sure.

Senator Smith: It depends on how old you are.

Mr. Goodis: That is my concept of obscenity. That should happen in a bedroom not in the *Fredericton Gleaner*.

Mr. Fortier: Should it happen in the hippie press?

Mr. Goodis: My God, man, they are operating out of frustration. That's a lashing-out at us squares. They are doing it to debase us.

Mr. Fortier: Is the *Playboy* center-fold obscene, in your opinion?

Mr. Goodis: I get it every month. No, it's not.

Mr. Fortier: Fine, is there obviously a need—that the emergence of the hippie

press—if I can have the attention of the Senators away from the center spread—that the emergence of the hippie press has responded to in society today.

Mr. Goodis: Yes.

Mr. Fortier: What is that need?

Mr. Goodis: It is called a voice.

Mr. Fortier: Should we let the hippie press fill that need or should the conscientious publishers of newspapers and magazines in Canada attempt to fill it?

Mr. Goodis: They should attempt to fill it.

Mr. Fortier: How?

Mr. Goodis: And then there would be no need for that kind of thing.

Mr. Fortier: Are there other ways...

Mr. Goodis: I am not a publisher—I am only an intern. I don't know.

Mr. Fortier: As an advertising man, would any one of your accounts accept to run some advertising in the hippie press?

Mr. Goodis: I probably would not recommend that they do.

Mr. Fortier: Why wouldn't you. There is a market there, why wouldn't you?

Mr. Goodis: Because I think that when you run an ad in something, a television show or a newspaper, what is around the ad reflects upon the advertiser.

Mr. Fortier: But there is such a thing as a market. There is such a thing as an area of consumers.

Mr. Goodis: I choose to go after young people in a different way for my clients. When my clients decide that my way is wrong, they will fire me. I would not recommend that any of my clients buy space in that publication.

Mr. Fortier: Then I suggest that you are speaking out against the flourishing of the hippie press, which you feel is in answer to a need which is being felt.

Why would you not try and convince your clients that by advertising in the hippie press they will help keep it alive. Why wouldn't you?

Mr. Goodis: I'm not so sure I want to help keep it alive.

Mr. Fortier: We are running around in circles.

Mr. Goodis: Why—where do I contradict myself?

Mr. Fortier: Well, I think that you have answered earlier or you have made the point that the hippie press is filling a need of some readers in the Canadian community and you say, "but I am not going to encourage my advertisers to advertise in the hippie press because that is not the medium that they should use."

But who is going to keep the hippie press alive?

Mr. Goodis: Well, somebody is. It is there. I haven't looked at the ads. Somebody is keeping it alive.

Mr. Fortier: As an advertising man, you don't feel it is your responsibility?

Mr. Goodis: No, of course not.

If you were my client, you made a product, and I came to you and said, "We are going to run a full page ad in the *Harbinger*, next to that sketch, would you let me?"

Mr. Fortier: Well, let's define product. If I...

Mr. Goodis: Coca-Cola.

Mr. Fortier: Coca-Cola? Yes, I would.

Mr. Goodis: You would?

Mr. Fortier: Yes, but I am not an advertising man as you obviously can tell.

Mr. Goodis: And I am not a publisher.

Mr. Fortier: Yes, Coca-Cola, sure, why not—headache pills?

Mr. Goodis: You know what, I think he is winning me over. Maybe it is not a bad idea. We could be a first. I think I will go to the Coca-Cola Company with that thing and suggest they run a full page ad and then probably get hung outside their main office for the idea. It's not a bad idea.

I think that's a side issue in my view. It really is. It is interesting that there is a paper currently being published and flourishing with no national advertisers. Is there a lesson in there for us?

And they say it like they feel it, want it with the four-letter words and the obscene, if

you like, pictures and there it is, it is being published. Is there an idea for us there?

Mr. Fortier: Yes, you fear the conclusions, don't you?

Mr. Goodis: I sure do.

The Chairman: May I say to the Senators and the others that the underground press are coming before this Committee, I think on the tenth of March.

Mr. Goodis: Don't tell them what I said.

The Chairman: Perhaps we can pursue national advertising standards and suggest to them that they call on Mr. Goodis and other national advertisers.

We are going to hear *Macleans* magazine at eleven o'clock. I would like to adjourn for five minutes before we do, which means I would like to complete this particular session in about ten minutes.

I have a supplementary question from Senator Everett. I know Senator Prowse wanted to say something.

Senator Prowse: Let it go.

The Chairman: All right, then I have a supplementary question from Senator Everett, a question from Senator Hays and a question from Senator Beaubien.

Senator Beaubien: You can withdraw mine.

Senator Everett: Did you just say that you were concerned about the editorial material that surrounds an advertisement?

Mr. Goodis: Very much so.

Senator Everett: If you are concerned about it, and you are supposed to be the maverick of the advertising world, how can we ever change the situation that you refer to right in your brief here?

Mr. Goodis: Why don't you figure it out? I am not a member of this Committee. I have no idea. I am just a witness. You figure it out.

Senator Everett: You have no idea at all?

Mr. Goodis: No.

Senator Everett: Thanks.

Senator Hays: Mr. Goodis, do you think that there is such a thing as too much TV, too much radio, too much exposure, too much news, and so on? Do you think it affects our productivity?

I am thinking about my ranch. I can't get my bunkhouse cleaned if "Edge of Night" is on. If a baseball game is on, I can't get my foreman out... I can't get the people out.

Right across the fence from me, there are Hutterites beating me to death because they have no newspapers, they have no TV, they have radios. They farm better. They don't take the old age pension. They don't take the baby bonus. They don't ask for anything and they get along very well without any news.

Do you think that we can get too much of this sort of thing?

Mr. Goodis: No, I think that we have to... we are our own men, you know. We have to judge for ourselves when we, or our children, or our family have had quite enough.

When we have had enough, the guy next door hasn't had...

Senator Hays: Let me put it another way, does it affect education?

Mr. Goowis: Oh, yes.

Senator Hays: Does it prevent children from completing their university education?

Mr. Goodis: No.

Senator Hays: From completing their schooling or getting their homework done?

Mr. Goodis: I know of no cases like that.

The way it affects education is the way I have described it in my presentation.

I am curious that I have been questioned, incidentally, if I may, about a lot of things except the one thing that alarms me the most and that is the pollution of our culture by the influx of American TV.

I don't think we ought to dictate how many hours a television and radio station ought to broadcast, except as they are now dictated by the laws we have. Some radio stations run twenty-four hours a day, and that is all right with me. Who is to say how much is too much.

The Chairman: I just have one last question. Do any of the Senators have questions?

You mentioned in your brief a classmate of mine, Norman Jewison.

Do you honestly think that any of the Canadian media could pay enough money for people like Jewison and some of the others

you mentioned to return to Canada.

In other words, are you realistic in your suggestion that we can compete with the Americans when it comes to cash on the barrelhead?

Mr. Goodis: I think we have no choice. I think we must find ways and I heard a good idea from Senator Hays on the question of licensing.

We must find ways of employing these people. Why should we roll over and play dead and lose these people to another country. It is criminal.

Realistic? Yes, it is realistic. The government will have to help. Citizens will have to help. Advertisers will have to help but there must be a way of building a Canadian broadcasting community with the best talent that is available anywhere and that is us.

If we don't start, it is going to be too late.

The Chairman: Thank you. Are there any other questions?

If not, Mr. Goodis, on behalf of the Committee I would certainly like to thank you for a viewpoint which was refreshing, which was forthright and which was, perhaps not exactly the kind of a presentation we might have expected from an agency president.

However, as has been apparent prior to your presentation and in your presentation this morning, you say what is on your own mind.

I think the document you have prepared will be a valuable addition to our collection.

Mr. Goodis: Thank you.

The Chairman: Senators, we will adjourn until eleven o'clock.

The Chairman: If I may call this session to order—we have received a brief from *Maclean's* and *Le Magazine Maclean*.

Seated on my immediate right is the publisher of both magazines, Mr. Gerry Brander and seated on Mr. Brander's immediate right is Mr. Ronald McEachern, who was here last week and who as you know, is the Executive Vice-President of Maclean-Hunter Ltd.

On my immediate left is Mr. Peter Gzowski, who is the editor of *Maclean's* Magazine and seated next to Mr. Gzowski is Mr. Jean Sisto, who is editor of *Le Magazine Maclean*.

Mr. Brander, the brief was received some three weeks in advance in compliance with

our request. It has been circulated to the Senators. It has presumably been examined by them.

We would like to have from you an opening oral statement which could take as much as fifteen minutes. It need not take that amount of time. You can explain, amplify or comment on your brief. By all means, you can talk on other matters which aren't contained in your brief, and then we can turn to the questioning period.

The questioning, as you know from having been here before, will be on the contents of your brief and on other matters.

I understand you wish to use at least part of your fifteen minute opening oral statement to allow Mr. McEachern to say just a word or two in opening as well.

Mr. Brander: Thank you.

Mr. Chairman, Honorable Senators, ladies and gentlemen. As you know, I am F. G. Brander, publisher of *Maclean's* Magazine and *Le Magazine Maclean* and with me today are Mr. Peter Gzowski, editor of *Maclean's* and Mr. Jean Sisto, editor of *Le Magazine Maclean*.

In addition, Mr. Ronald A. McEachern, executive Vice-President of Maclean-Hunter Ltd. is present as he has executive responsibility for Maclean-Hunter magazines.

As you pointed out, Senator, I was privileged to be present as a spectator during the Maclean-Hunter appearance last week and am thus well aware that any basic questions concerning Maclean's were discussed at that time and at some length.

With respect to my own magazines, this hearing might be regarded as a continuation of that earlier appearance.

We are here as a magazine group and hope to be helpful.

I do not intend to take your time with a lengthy introduction or report detail which has already been delivered in our written presentation.

However, I would emphasize that *Maclean's* is a general magazine of large circulation. It is published in two editions, English and French. Its editorial purpose is, very simply "For and about Canada". Its specialty is Canada.

Both *Maclean's* and *Le Magazine Maclean* have their own editorial staff. The editor of

each magazine operates within his own editorial budget and decides suitable content for his particular magazine.

Through the process of practical and acceptable collaboration between editors, the editorial resources of the English edition are available to the French editor. Similarly, features developed by the French edition are available to the English editor.

Each editor has a highly professional and appropriate staff. In addition to staff, the editors use the service of free-lance writers, illustrators and photographers.

You have heard some reference to the difficulties encountered in the publishing of a profitable magazine in this country. While it has not been easy, I am proud to say that operating within the ground rules of the last decade, *Maclean's* and *Le Magazine Maclean* have made considerable progress.

Maclean's has taken bold steps to meet the challenge of rising costs and increased competition.

There have been major changes such as frequency, format and printing methods. We are constantly seeking more effective and economical processes and doing everything possible to publish viable magazines.

Both readers and advertisers have applauded our innovations. These magazines have taken initiative in developing profitable subsidiary activities through the sale of compatible books, records, maps, educational courses. These are sold through the magazine and through mail order lists. There is a wide response to books dealing with the Canadian Heritage.

In particular, I would remind the Senators that *Maclean-Hunter* has continued to publish *Maclean's* over the years because of the firm belief that at this time, perhaps more so than at any other time in our history, Canada needs a positive, unifying force which will help to hold this country together as one strong nation.

Maclean's and *Le Magazine Maclean* are vital in this role.

Mr. McEachern: Very briefly, may I bring back into perspective some facts and realities which may have become distorted and unreal in a recent hearing before this Committee.

As the representative of *Maclean-Hunter*, I am very glad to hear of the high regard in which our big magazines are held and of the great things expected from them.

May I bring back into your mind some of the things that have occurred in the past ten years.

It was during the last decade that television got into its full stride as a colossal consumer of the viewer's time and of the advertising dollar. During that period, a few of the better daily newspapers moved into the traditional role of the magazines as the interpreters and backgrounders on major public and social issues.

During that period, tabloid magazine-style stuffers were introduced into weekend editions of major daily newspapers across this country.

These became very major consumers of available magazine advertising dollars.

Now, all of those developments meant that our magazines lived in a completely new climate. Our survival depended on our adaptability to change, on our readiness to change, and our success in making the right kind of change.

The very large Canadian audiences were rapidly moving towards new styles of life, new values, new tastes. Certainly, if we had continued to produce mass magazines of the kind we did ten years ago, they would have been irrelevant to all but a small and elderly group of people who like the realities of a Canada as it used to be.

One test of how magazines cope with change and their success in doing so is circulation. For both *Maclean's* and *Chatelaine*, circulations today are at least 50 per cent higher than they were five years ago. Newsstand sales for both of them are about double what they were about five years ago. Both *Maclean's* and *Chatelaine* now have French language counterparts, and those French language editions are by far the biggest Canadian circulation magazines in the Province of Quebec.

It used to be difficult and expensive for our magazines to get and hold subscribers. For many long miserable years, our circulation expenses were greater than our circulation revenue. That is no longer the case. Now, we have a most agreeable circulation surplus and there are some big name publishers of mass circulation publications who very greatly envy us in this regard.

So, by the hard test of the market place, the mass audiences for our magazines are giving us a very big vote of confidence—a

bigger vote of confidence than they have in a quarter century.

A second point, the Canadian population has been getting younger. The proportion who can read has grown greatly in the younger ages and has declined in the older ages.

Now, most certainly, our magazines are being created with younger people very much in mind. Of course, we want to interest the broad spectrum of Canadian life, the old, the middle-aged and the young, but a good deal of the reading content is designed specifically to serve the interests of the young.

Ten years ago, it may have been that our magazines appealed too much to the older segment of our population and too much to those with leisure and a nineteenth century cast of mind, but we have very valid professional and business reasons for taking the position that we must in carrying out our public responsibilities, have vitality and value for the young people of this country.

They are our main audience for tomorrow and I think it is more important to have some good effects on the minds and hearts of young Canadians than it is to worry too much about the other Canadians.

In doing so, I regret that some of our older readers may not be enraptured with some of our content but the fact is that the mass audiences for our big magazines approve and like the kind of magazine now being produced better than they ever did before. Remember that our circulation figures for a country of Canada's size are very large.

Our editorial content has to be of interest and value to a very wide variety of people, not just a specialized few.

My third and final point is this. Let no man impugn the strength and sincerity of our company's concern for the welfare of the future of our country.

I regret that the president of our company, and its chief shareholder, has been extremely ill and is not well enough to be here and speak to you himself about the matter that has come up. I may point out that he has not sold out. He is sticking around to cope with his problems.

Our company has paid an extremely high price indeed, and I mean high price and a very large amount of dollars for its conviction that it has been performing a useful piece of public service in publishing a completely Canadian mass magazine.

As I said when I appeared here a week ago, our big magazines went through an extremely painful period of readjustment created by television and other developments of the past ten years. Those new facts of life deeply affected every publisher in the western world.

However, we are putting our money where our mouth is. The present financial position of our big magazines is much better than it was some years ago. Our economic health is improving, but so far, despite very inadequate earnings, it has been the deliberate decision of our President and Directors that we would continue these operations. The important reason for that decision is that we believe we have and do and will serve a useful public service in Canada.

The Chairman: Thank you very much, Mr. McEachern and Mr. Brander.

I think Mr. Fortier, you have the first question.

Mr. Fortier: I would like to direct it, Mr. Chairman, to Mr. Gzowski.

Mr. Gzowski, why did you ask for the job?

Mr. Gzowski: Because I think any journalist of any worth, in this country, aspires to the editorship of *Maclean's*, which is Canada's pre-eminent magazine, and I thought I could do it.

Mr. Fortier: Tell us, Mr. Gzowski, back in October, 1964 you had some pretty harsh words to direct at *Maclean's* magazine and its executive Vice-Président, Mr. Ronald A. McEachern, in the *Canadian Forum*.

Mr. Gzowski: I thought they were mildly funny.

Mr. Fortier: I enjoyed the article.

You said, "The appointment of R. A. McEachern, as executive vice-president in charge of magazines was the beginning of the end". Then you went on to say (I don't think that's funny)—you went on to say, "anyone who would have expected him to keep his hands off the editorial direction of *Maclean's* would have been out of his mind. When the interference grew steadily more evident, Ken Lefolli felt there was implicit mistrust of his judgment. He resigned" followed by different people, including you.

Then you concluded: "Probably our six resignations will help to make it a little better for a while than it might have been. But it can't be as good as when they let the editors do the editing."

The Committee would like your comments on these particular extracts which are not entirely fair since I have taken them out of context, but we would like to hear from you. Are you doing the editing right now at *Maclean's*, or is Mr. McEachern?

Mr. Gzowski: I am doing it, Mr. Fortier and Senators. I am doing it within the bounds that are normally prescribed around the editorship of any publication. Perhaps they are broader at *Maclean's* than they are anywhere else but in answer to your specific question, I am doing the editing.

Mr. Fortier: What guarantees of editorial independence do you have that Mr. Templeton did not have or Mr. Lefolli did not have?

Mr. Gzowski: Well, I have no contract and I have no great formal undertaking, to dismiss that possibility.

Mr. McEachern, Mr. Brander, Mr. Hunter and other executives of *Maclean's* and I sat down at some length and discussed both sides of what was a very complex and I might say, overpublicized difficulty between the editors of *Macleans* in the past and management in the past.

This is a thing that I am always somewhat bemused by, the delight newspapers leap onto it with.

We have discussed both sides of this, and I think we have reached a mutual understanding that the editor does the editing and the executive Vice-President does the executive Vice-Presiding and the Publisher does the publishing.

I think the strongest answer I can give, or the most meaningful answer I can give to what is implicit in your question is that in the time that I have been there as editor, since October, 1969, I have had no quarrels with Maclean-Hunter management and to my knowledge they have no quarrels with me. That is all that is important to me.

The Chairman: Just a supplementary question, Mr. Fortier.

When you say, Mr. Gzowski, that these things are over-publicized, have you not contributed substantially to that very publicity with the article which appeared in the *Forum* and in particular, as I mentioned last week to Mr. McEachern when he was here, and your Friday night radio program on CBC, the night that Charles Templeton resigned?

I think you devoted the entire—almost an hour...

Mr. Gzowski: Not quite.

The Chairman: Certainly, fifty minutes.

Mr. Gzowski: No, I think around fifteen or twenty, but it may have seemed like an hour to many people who were listening.

Senator, if your idea of contributing to wide coverage is writing an article for the *Canadian Forum*, six months after the fact, it differs somewhat from mine.

I wrote the piece in the *Forum*, actually in some sort of reaction to the vast amount of publicity that had been given in the daily press and in *Time Magazine*, where I felt the issues were not understood and at some point I wanted it, for my sake and for the other people who were involved, to be written as we saw it (as the editors saw it) and the *Forum* seemed a good place to put it on record. I didn't get any money for this or anything.

The Chairman: How about the CBC program?

Mr. Gzowski: The CBC program, Templeton's resignation was an issue of the day and the CBC program on which I was then working, and still work, attempts to deal with issues of the day.

We examined it and I interviewed Mr. McEachern publicly, and Mr. Templeton publicly, but that program runs for six hours, Senator, and we devoted certainly less than half an hour to it, so I don't think we are playing it up as much as some others.

I'm delighted that you listened to that.

The Chairman: I listen to it every week. I think it's a very good program, very timely and very topical, but I thought you leapt on that particular incident rather quickly. I was delighted that you did. It was a very enjoyable piece of radio broadcasting.

Mr. Fortier: Did Mr. Templeton, in your opinion, over-emphasize his reasons for his resignation last September?

Mr. Gzowski: One man's over-emphasis is another man's rational act, but not to dodge your question, I would consider that sending carbon copies of one's letter of resignation for release at a specific date might be—is some kind of over-emphasis, yes. It is a curious way to behave.

Mr. Fortier: You're a professional journalist, and a very good one in Canada. You knew of Mr. Templeton's differences. You lived through some difficult times at *Maclean's* prior to leaving with Ken Le Folli and others in 1964.

Did you ask for any assurances from management when you sought the position of editor-in-chief of *Maclean's* Magazine, and if so, did you receive them?

Did you ask for any assurance of editorial independence, call it what you want to, you know what I mean?

Mr. Gzowski: Yes, I think the best answer is that we discussed it at some length and I think they knew my position which had not been a secret one, because of radio programs and the *Canadian Forum*. I certainly knew theirs. We weren't dealing with strangers.

We had long discussions, but they were more informal than would be implied by asking for assurances and things.

I think the air had been cleared substantially by events of that unfortunate time. I think that perhaps things were redefined slightly.

Mr. Fortier: I think these questions are very important from the point of view of your readers. Your readers are aware of as we say, Mr. Templeton's well-publicized reasons for resigning and also the Lefolli incident of some six years ago, so this is why I ask them.

Hence this one. Were you told, Mr. Gzowski, "Whatever may have happened in the past, it won't happen again because we are changing this or I am changing that or I am not overseeing this anymore"?

Mr. Gzowski: I think any answer I give you will sound woolly because there is no formal assurance of that kind, but implicitly I think there is a sense of redefinition of function.

I am obviously answering these questions with some awkwardness...

The Chairman: I think you are answering them very well.

Mr. Gzowski: Well, I feel I am answering them with some awkwardness because we are talking about a specific situation which in my opinion has been resolved eminently satisfactorily, so to try to draw some general conclusions out of them provides some kind of awkwardness, I think.

To me, there is one central issue. Am I the editor of *Maclean's* or am I not?

Mr. Fortier: Are you?

Mr. Gzowski: Yes.

Mr. Fortier: Are you free to pursue in depth any topic which in your editorial wisdom you feel may be of interest to your readers, and I do stress the "any".

Mr. Gzowski: I would think so.

Let me back up or return to "Am I the editor". Mr. McEachern was asked that—you are very good at reading from other magazines to people—and he was asked about the "editor-in-chief" in *Time* and my understanding of his answer, with which I don't agree at all, is that to some extent he is the "editor-in-chief". We don't have anyone called that on the masthead. He is the executive vice-president.

Decisions that I make are obviously answerable through him to management of Maclean-Hunter.

I am not free to put my wife's banners—you know, to do things that are reprehensible by common standards of journalism, but I think that Mr. McEachern and I understand standards of journalism and pretty well generally the same terms.

Maclean-Hunter and I do, the same way.

So, am I totally free? I am certainly as free as any other editor I know and substantially more than most.

Mr. Fortier: Are you as free as Robert Fulford is, to use four-letter words if you see fit?

Mr. Gzowski: I don't know, because I don't think they would be fitting in *Maclean's*, although I'm one of the people that has used them in *Saturday Night*, as a matter of fact. They are kind of fun to write.

Mr. Fortier: And to say?

Mr. Gzowski: And to say.

Mr. Fortier: Given the appeal that Mr. McEachern has underlined earlier in his oral remarks to the youth of today and given the emergence of what you have referred to as underground newspapers, hippie press and so on, do you feel that *Maclean's Magazine* has a role to play in Canada for readers of the *Georgia Strait* and *Logos*?

Mr. Gzowski: Yes, I certainly feel it has. I hope it has. If I felt free to occupy an hour of your time to describe the magazine's job, that would be one of them.

The Chairman: Take five minutes.

Mr. Gzowski: Well, I think it is very important and *Maclean's* is one of the central places to do it—to provide a kind of bridge between, if you like, the establishment, (a word that has been tossed around here this morning and probably will be throughout your hearing, as it has been before, but I am not prepared to define it and I wonder if other users of it are) on the one hand, for the sake of a better word, the establishment, and on the other hand, for the sake of a better word, the hippies. The disenfranchised is a more satisfactory one.

I would hope that *Maclean's Magazine* would provide a kind of meeting place for the ideas that they hold in common. This is one of the things that we have instituted in the magazine very recently. We have a guy writing under one section whom we call "our token radical" and I am happy with that choice of words because we are not saying that we endorse Bob Bossin's point of view, which we feel is worth listening to and we feel that the other end of the spectrum is equally worth listening to. We hope that in *Maclean's*, which is a magazine which takes its contents seriously, and I hope publishes them responsibly, that we can provide a meeting place for both sides of the over-cliche-ed "generation gap" or whatever it is.

So, I think *Maclean's* has an enormous role, among other things, to get through to young people and say that older people have something worth while to say to them, as I feel that it has a role in getting through to older people and saying that the disenfranchised, the young, the angry, the hippies, or whatever, the love children are not totally the unwashed, stupid, illiterate people that they are often regarded as being.

Mr. Fortier: Have these people been neglected in the daily press of Canada?

Mr. Gzowski: Well, in one sense, I think they have been neglected in that nobody takes them very seriously but in another sense they have been highly underneglected.

Certainly, every mal-adventure they get into is over-reported by everyone and people have an unfortunate image of them, but I think people get—Mr. Goodis in his earlier comments certainly got onto one track here—that all too often their views are filtered through the minds of reporters, who, not through any establishmentarian fault of their own, but just because they are human and

fallible as anyone else, don't really explain the young people's point of view; so I think they are neglected in that sense if you want to make a generalization.

Mr. Fortier: In recent issues of *Maclean's* you seem to have discontinued editorials, and I am reminded of a section in your brief.

The brief speaks of the "magazine's special function to interpret Canada to Canadians."

Given this discontinuation of editorials in the last few issues, has there not been material for editorial comment? Is there nothing to say? Can you explain it to the Committee?

Mr. Gzowski: Yes, there has been a great deal to say, but I have not chosen to say it as editor.

I think the editorial in a monthly magazine is a fairly curious, and I would say, disappearing fact of journalistic life. It is the engraved tablet being issued from on high, once a month.

As editor, I do not feel blessed with special wisdom on the fourteenth day of every month, when I can issue a dictum of interest to four million readers.

What I have attempted to replace that official editorial with, is a kind of forum, which we have labeled "In our view and yours", and I am suggesting by that, that we endorse some of the views, many of them written by our own staff.

If I do meet a burning bush on my way down to University and Dundas some morning, I would be delighted to contribute to that forum myself and sign it, but the unsigned editorial as the great, revealed truth is slightly passe in the kind of journalism that I am interested in. I am just not that interested in my own editorial ideas.

The second point, if I may just dwell on it a moment, I think that many parts of the magazine that we are attempting to put out are fulfilling in a different way the original function of the editorial.

We did a whole takeout in "Canada Report"—we called it "The heartening surge of a new Canadian nationalism". At the top of that in display type, we said (I can't quote it) but we said to the effect that we happened to endorse this as a magazine. We endorse it very strongly.

Now, this was six pages which I think is a certain kind of editorial. We said, we want to

fan the flames of this nationalism. We believe in it, but it happens that I wasn't a contributor. Other people had better things to say about that than I did.

Mr. Fortier: I would like to direct some questions to Mr. Sisto.

The Chairman: Yes, I should perhaps alert the Senators that this probably will be in French and we have simultaneous interpretation, if you wish.

Mr. Fortier: That is why I made the announcement.

The Chairman: Thank you, yes.

[Translation]

Mr. Fortier: Mr. Sisto, you have been with *Le Magazine Maclean* since the end of 1969, have you not? You heard the comments exchanged earlier between your colleague, Mr. Gzowski, and myself. To what extent are you in Montreal dependent on the head office in Toronto?

Mr. Jean Sisto, Editor, Le Magazine Maclean: I think I am dependent in the same way as he. That is, I am editor-in-chief of the magazine; as far as its editorial content is concerned, I have the last word. So far, at least, I have never had a problem in that area.

Mr. Fortier: You haven't had one?

Mr. Sisto: No.

Mr. Fortier: I remember that in late 1960 and early 1961, when *Le Magazine Maclean* was launched, it was the company's intention that it should be an original magazine with its own articles and editorials, etc. You doubtless recall the subsequent incident in the fall of 1969, when the other Mr. Cardinal, as I call him, left *Le Magazine Maclean* for reasons that were very well publicized at the time. That is, they had been asked to make *Le Magazine Maclean* a simple translation, for all practical purposes, of *Maclean's Magazine*. When you agreed to become editor-in-chief, Mr. Sisto, did you ask yourself for any assurance regarding your editorial independence? Did you request that *Le Magazine Maclean* should not be a mere translation of *Maclean's Magazine*?

Mr. Sisto: That is what I requested. That was the first point to be discussed. The result was an editorial signed by Mr. Brander in the January issue which, of course for that issue,

there was no one else left to do it. So it is obviously a translation. He says that the magazine will not be a translation, and there is no question of it.

Mr. Fortier: Do you...perhaps this is a question I should ask Mr. Brander. But do you know why this policy of September, 1969, was radically revised a few months later? Do you wish to answer or...?

Mr. Sisto: No, I would prefer him to answer. I was not there at the time...

[Text]

Mr. Fortier: Mr. Brander, my question to Mr. Sisto, which he readily says should be directed to you was, how do you explain this change in policy from September, 1969 until the time that Mr. Sisto joined *Le Magazine Maclean*?

Briefly, it was announced in September, 1969 that *Le Magazine Maclean* would be, to all intents and purposes, a French translation of *Maclean's* and Mr. Sisto says that he agreed to become editor-in-chief of *Le Magazine Maclean* on condition that it be anything but that. How do you explain this change over a period of a very few months? What led to the one decision, and then what led to the second?

Mr. Brander: There never was an announcement that *Le Magazine* would become a translation in French of the English. This was an incorrect assumption that was widely distributed and misquoted. It was certainly attributed to Monsieur Cardinal in the general press, and in the Province of Quebec. On the point of Mr. Cardinal's statement or feeling, I can only say this, that in a general review of our operations, which took place last year in a quite customary fashion, we reviewed some of our original objectives for the magazines, both French and English.

We reminded ourselves that very rarely, if ever, in the past year had there been adaptations, not translations, from the English into French for *Le Magazine Maclean* and at that time the group of editors, both French and English, sat down together and agreed that there were some topics where basic research and data could be shared usefully and there were some articles which were quite appropriate for both audiences and the question was put, in assessing our role for the forthcoming year and forthcoming month and in looking at some of our expenditures and our general operations, could we not move more closely together.

This was the suggestion put to Mr. Cardinal. It was never finalized. It was never discussed past this point and in an unfortunate set of circumstances, Mr. Cardinal rather quickly stated, I think in an impromptu fashion, that *Le Magazine Maclean* in future was to be a translation in major part, but not in whole, of *Maclean's*. That is a statement that I think he later regretted and I think in one form or another has later retracted.

Mr. Fortier: This sort of *prise de conscience* or realization which was expressed to Mr. Cardinal and which led to his departure together with that of very well-known members of his team, has it changed at all?

Mr. Brander: Has the operation of the magazine changed at all from the operation, as it existed during Mr. Cardinal's editorship and, let us say, previous editors?

Mr. Fortier: Yes.

Mr. Brander: The editorial performance of *Le Magazine Maclean* today is exactly as it was established in the beginning, some ten years ago, where, subject to the editor's decision, material is adapted from the English magazine into the French and vice versa, so that you will have an issue of *Le Magazine Maclean*, such as the current issue, when there will be perhaps one or two articles which began, if you like, in the English copy which had been adapted into French.

Generally speaking, the content of this issue and subsequent earlier issues is original.

This is a two-way street, and as I said in my opening remarks, this is the choice of the editor.

Mr. Fortier: Mr. Gzowski, when was the last time—I realize you have only been there for a short time—but has there been an instance in recent months since you have been editor of *Maclean's*, where you have used an article which appeared first in *Le Magazine*.

Mr. Gzowski: Nothing that has been published yet—there is one scheduled.

Mr. Fortier: Mr. Sisto, to what extent do you co-operate with Mr. Gzowski, for example?

Mr. Sisto: First of all, we...

Mr. Fortier: Or vice versa?

Mr. Sisto: First of all, we have monthly meetings to determine what line we shall

take, what we might work on together, what he might use of what I am able to produce, and vice versa. This kind of co-operation is difficult, of course, because it has never been done before.

Mr. Fortier: This was not done in the past?

Mr. Sisto: Not to my knowledge. We are really looking for ways of co-operating more and more closely on subjects that are of interest both to English Canada and to French Canada; there is an example in our May issue, which contains a rather sensational article on the danger inherent in Canada's selling her water to the United States. I felt it as a very important article, as much for Quebec as for Ontario and Alberta. So we ran it.

Mr. Fortier: When you decide to run an article like that, do you have to ask someone's permission?

Mr. Sisto: Absolutely not. When we arrive at these monthly meetings with Mr. Brander and Mr. McEachern, we tell them what we are going to have in our next two or three issues.

Mr. Fortier: Are you satisfied, do you endorse—when I say "you", I include you and your staff in the term—do you endorse the aims set out in your brief, the brief from *Maclean's Magazine*.

"*Maclean's* is for and about Canada". Then its specialty is Canada and it should be a unifying force to keep the country together."

Mr. Gzowski: Its specialty is Canada.

Mr. Fortier: Do all the members of your staff endorse that learned statement of principle?

Mr. Sisto: I would be very surprised.

Mr. Fortier: Do you feel called upon to acquaint yourself with the political opinions of your editorial assistants, contributors, etc.?

Mr. Sisto: No.

Mr. Fortier: No?

Mr. Sisto: What I try to assess is the work they do for me; I don't concern myself with their political ideas.

Mr. Fortier: Have you received any directives from Toronto on this subject?

Mr. Sisto: None.

Mr. Fortier: None. Do you think—with regard to that passage in the company's brief—do you think that it is one of the responsibilities of *Le Magazine Maclean* to encourage the survival of Canada in her present form?

Mr. Sisto: I believe that our duty, as the staff of the magazine, is to reflect Quebec society. Whether the reflection leads us towards a united Canada or not will be decided by the people. I personally have no special mission to defend Canada. I try to publish a range of opinions so that people may make up their own minds, but I have no special mission, nor have I undertaken one.

Mr. Fortier: For example, in your February, 1970, issue, there is a Gilles Lesage interview with Jérôme Proulx. If Mr. Flamand, say, finally decided to become a Créditiste as well, would you send one of your correspondents to meet him and get an interview like that?

Mr. Sisto: Probably, yes.

Mr. Fortier: And if Mr. Wagner decided to join the Union Nationale, in order to cover the story—to what extent, you say that you are trying to present your readers with a reflection of Quebec society—a statement I can but endorse. To what extent do you think *Le Magazine Maclean* provides its readers with a reflection of Canadian society? I do not want you to turn to your right before answering.

Mr. Gzowski: That is not his right, Sir.

Mr. Sisto: To be accurate, I do not know. From what I am able to deduce, English Canada is also in search of an identity, and it certainly helps it to find one. From English Canadians I know, from my own experience and from what I read, I believe it is certainly a problem in English Canada, to find a reason for Canada's existence.

Mr. Fortier: Does Mr. Gzowski—I am going to ask him the question in a moment. Does Mr. Gzowski depend on you for articles on Quebec, or does he have his own staff? Perhaps I should ask him?

Mr. Sisto: "Depend" is not the word. I think it is precisely in this area that collaboration would take place.

Mr. Fortier: Does this collaboration exist, Mr. Gzowski?

Mr. Gzowski: Collaboration in the sense that we discuss them—but they are not assigned from Toronto.

Mr. Fortier: If you are pursuing a certain topic, a certain subject, and if you would like a French point of view...a Quebec point of view...do you go to your colleague, or would you send a member of your Toronto team to Quebec?

Does collaboration go to that extent that you would ask, for example, Mr. Sisto, would you please get me an article on this or would you please...

Mr. Gzowski: Well, no, I would not call that collaboration. I would call that direction, and he is running a magazine and we are running a magazine, but there are many places where they would fit together and the collaboration is the important word.

We might very well have an article on...the one on water that Jean mentioned was done previously to his incumbency, but in a case like that, if we wanted a Quebec file, because we knew he was going to use it, we might very well ask him if he could possibly supply us with something there rather than using an independent stringer of our own.

The one sense that it would be wrong is that we don't issue any orders or ask for things in that sense. It is all by agreement. It is consensus.

Mr. Fortier: In Quebec, Mr. Sisto, whom do you regard, which medium do you regard as the competitor of *Le Magazine Maclean*?

Mr. Sisto: Probably, *Réalité*.

Mr. Fortier: *Réalité*. Is *Sept Jours* a major competitor for you?

Mr. Sisto: No.

Mr. Fortier: Are there any others?

Mr. Sisto: Monthly magazines, no.

Mr. Fortier: Do you regard television as a competitor?

Mr. Sisto: Of course, there are the CBC public affairs programme, after all, as well as the supplements produced each week by *Le Devoir* and *La Presse* and, to some extent, the *Montreal Star*, which also has some French Canadians among its readers.

Mr. Fortier: A supplementary question for Mr. Sisto, Mr. Chairman. We have heard

Senator Everett and Mr. Gzowski discussing the difficulties faced by a daily paper in becoming established in a community where there are other papers already in operation. You were with *La Presse* for nine years, and during those nine years, the *Nouveau Journal* experiment took place; as you know, it had not \$450,000, but millions of dollars, and it only lasted four, five or six months. Then there was Pierre Péladeau's *Le Journal de Montréal*, which became established in a short time...a circulation of 40 or 50,000 copies, I think it is...and which is still being published. How do you explain the fact that in Montreal, the *Nouveau Journal*, with all the money at its disposal, did not succeed, and Pierre Péladeau did succeed with *Le Journal de Montréal*?

Mr. Sisto: I think it was really because of their respective production costs. When the *Nouveau Journal* ceased publication, its circulation was about 40 or 50,000 copies. Obviously, if their costs had been the same as those of *Le Journal de Montréal*, they would have kept going too. *Le Journal de Montréal* is produced using fairly slender resources, while the staff of the *Nouveau Journal* was almost as large as that of *La Presse*.

Mr. Fortier: You think they aimed too high to begin with?

Mr. Sisto: Aimed too high to begin with, yes. Or again, they would have needed enough money to keep going for some years before the paper became self-supporting.

Mr. Fortier: How do you explain the *Le Journal de Montréal* phenomenon? It is one of the few instances in Canada, not just in Montreal, in which someone has managed to bring out a newspaper in competition with other well-established papers, and done so with such success.

Mr. Sisto: Well for one thing, *Le Journal de Montréal* was helped somewhat by the fact that *La Presse* did not appear for a period of seven months.

Mr. Fortier: That gave them some momentum.

Mr. Sisto: Secondly, a newspaper published by a conglomerate, as it were...they already have the printing facilities, and a good number of journalists working for the 36 papers in the chain. So their production costs, for one thing were certainly nothing like those of the *Nouveau Journal* or *La Presse*, or even *Montréal-Matin*.

Mr. Fortier: There are no other definitive explanations you could offer us?

Mr. Sisto: A probable explanation is that there was a market for a newspaper of that kind, with news highlights, court news...

Mr. Fortier: Sport?

Mr. Sisto: Sports.

Mr. Fortier: However, with regard to news highlights, court news and sports, it seems to me that *Montréal-Matin*, which is in direct competition with *Le Journal de Montréal*, covers them fairly well, after all?

Mr. Sisto: I agree with you completely. I don't fully understand it myself. I really wonder why it is that *Le Journal de Montréal* is still coming out.

Mr. Fortier: An interesting phenomenon.

Who is your main competitor, Mr. Gzowski, in Canada?

Mr. Gzowski: Competitor in what sense?

Mr. Fortier: Let's look at it from the reader point of view.

Mr. Gzowski: Oh, my God—the world.

Mr. Fortier: Your main competitor—given the products that you are offering for sale to Canadians.

Mr. Gzowski: The reader's attention?

Mr. Fortier: Yes.

Mr. Gzowski: I don't know. You almost have to boil it down to an article because we are a spectrum...

Mr. Fortier: As a package.

Mr. Gzowski: As a package for the reader's time, I just don't think I can answer that. An easy answer might be *Time*, but they are a weekly news magazine—an American weekly news magazine.

Mr. Fortier: You don't consider *Time Magazine* published in Canada as a Canadian magazine?

Mr. Gzowski: It has a few Canadian pages.

Mr. Fortier: Would you term it a Canadian magazine?

Mr. Gzowski: I would term it a Canadian edition of an American magazine.

Mr. Fortier: Senator O'Leary, yesterday, when he appeared before this Committee, had this to say, and I am reading from the *Globe and Mail* report which I think is quite accurate.

Mr. Gzowski: About *Time* being the best magazine in Canada?

Mr. Fortier: That's right. I want to get—"I am not sure that *Time* magazine is not the best Canadian magazine we have". Would you care to comment on that?

Mr. Gzowski: Just before I do, I wonder if you would care to read where Senator O'Leary said that *Macleans* has gotten very much better in the last couple of months, if you are going to read from Senator O'Leary.

Mr. Fortier: We will come to that in a moment.

Mr. Gzowski: I think that Senator O'Leary was right on the one I just quoted and I suggest he is wrong on the other one, much as I respect Senator O'Leary.

Mr. Fortier: Are you in a competitive position—is *Macleans Magazine* in a competitive position vis-a-vis *Time Magazine*?

Mr. Gzowski: That is why I asked you in what sense—if you are talking about the reader's time, I would say, sure. We are in competition with numbers and numbers of other things from television to the supplements to the daily newspapers, to American magazines. *Sports Illustrated* competes with us when we have a good hockey piece, so I don't think...

Mr. Fortier: All special interest magazines as opposed general interest magazines?

Mr. Gzowski: Well, I think we are a special interest magazine.

Mr. Fortier: Your special interest being Canada?

Mr. Gzowski: Yes, it is a very important concept.

Mr. Fortier: Canada is a very general notion.

Mr. Gzowski: Sports are a pretty generalized idea too, but people put out specialized magazines about that. Television is pretty general, too, and so on. I think Canada is a lot more definable than some of those.

Mr. Fortier: Do you think that *Time* has an edge over *Macleans* in seeking out readers and advertisers. Let's lump them together, and if so, why?

Mr. Gzowski: First of all, let us not lump them together. I think it has an edge in seeking out readers for a news magazine because it is faster and it has the resources of an enormous world-wide network behind it, and whatever one thinks of *Time Magazine*, it is extremely good at what it does.

One of the things I don't think it does very well is be a Canadian magazine but it is a very good weekly news magazine and getting better. It is getting almost as good as *Newsweek*. We are not a news magazine, so we are not competing with them.

As for advertising dollars, we are into another argument...

Mr. Fortier: Should *Newsweek* be given the same privileges which *Time* and *Reader's Digest* were given by the Canadian Government, as it is such a good magazine?

Mr. Gzowski: Please, no, Mr. Fortier, Senators, and Senator Davey.

The Chairman: I was going to ask Mr. Gzowski a supplementary question.

Would you comment as an editor on the Canadian section of *Time*?

Mr. Gzowski: May I comment on it as a reader?

The Chairman: Of course, yes.

Mr. Gzowski: Because, editorially I think they do very well.

The Chairman: As a reader, then.

Mr. Gzowski: I don't read *Time* for the Canadian content, and I doubt if very many people do. I read *Time* for many other things but I can get by without their coverage of the Canadian news.

Editorially, I respect it, but there are several magazines in the world I respect but don't find it necessary to read.

The Chairman: You don't think that the Canadian news section of *Time* sometimes puts certain Canadian events into the kind of perspective which is lacking in the daily newspapers.

Mr. Gzowski: Oh, I think it occasionally does. It puts them into perspective but I live in Toronto, which is extremely well served by

a daily press and which does put things into perspective and I very seldom learn anything, or get a special perspective, to use your words, Senator, from *Time Magazine*.

I think they do a fine job, but in four pages, I wouldn't attempt to cover Canada every week, or five, or six pages.

Mr. Fortier: Why is there not a magazine that attempts to cover Canada every week. Why is there not a national Canadian magazine.

Mr. Gzowski: There is a Canadian national magazine.

Mr. Fortier: But not published every week.

Mr. Gzowski: No, I think the economics are simply against it.

As someone who have spent some time looking at budgets of possible magazines as well as some extant ones, I would not attempt under current conditions to start a Canadian news magazine, nor would I invest in one.

Mr. Fortier: With your feel, and your deep sense of journalism, is there a need for a weekly Canadian magazine, if the economic problems could be settled?

Mr. Gzowski: It would not hurt. I don't feel my keen—and what was the other flattering adjective—I do not feel a great, crying need for it, but it would be a very useful supplement to what is going on now. If one existed, I would be very happy to see one exist.

Mr. Fortier: Mr. Brander, at the end of your brief, you say

"In our view, Canada needs more national periodicals as well as the encouragement of those presently published."

Would you please explain what you mean by this, "encouragement of those presently published".

Mr. Brander: I don't mean anything specific in the sense of making precise recommendations or asking for anything that we don't have. I suggest that the best way that magazines that operate in Canada today can be encouraged is to understand them, be interested in them, and then leave them alone to pursue their own destiny—nothing more than that.

Mr. Fortier: The sentence certainly lends itself to more than what you have just said, but you are repeating what you said last

week, Mclean-Hunter is not asking for anything.

Mr. Brander: No, I deplore a general indifference sometimes to what good magazines are accomplishing and as a generality sometimes, to me, there is appalling ignorance, if you will, of some of the content of our issues.

In my own case, even today at these hearings, there have been some general sweeping statements that the press does this, or doesn't do that—usually, it doesn't do that....

So often, these things are being done, so I just suggest that there should be a genuine interest, to whatever degree possible and reasonable in the work that we are doing and seeking to do, and in that sense, there is a kind of vitality and background and environment of encouragement.

Mr. Fortier: I think you would admit, as a publisher, that *Maclean's Magazine* is in competition with *Time Magazine*.

Mr. Brander: Very definitely.

Mr. Fortier: Do you feel that you are battling against uneven odds?

Mr. Brander: To some degree.

Mr. Fortier: What are they?

Mr. Brander: Well, I think it is only fair to state that *Time Magazine* has resources and money which are not possible for *Maclean's Magazine*, operating within these markets and in the practical sense, *Time (Canada)*, if they wish to do so can outspend us and to some degree, outmaneuver us in the practical fields of advertising sales or promotion.

I think this is a realistic and a practical disadvantage which would be untruthful not to recognize.

Senator Everett: Do they outspend you on promotion? \$

Mr. Brander: My impression is they do, but I don't have the figures.

Senator Everett: Is it your impression that it is by a large amount?

Mr. Brander: I would think there is a reasonable difference.

Senator Smith: Does *Time Magazine* advertise in your magazine?

Mr. Brander: Very rarely—they have occasionally a center-page, perhaps on some special book or service, yes.

Senator Smith: We saw an ad just the other day that appeared in *Saturday Night*. I was just wondering if that was common practice to patronize all the competitors of *Time*.

Mr. Brander: I would be quick to say that I don't think *Time Magazine* is patronizing any magazine.

Senator Smith: They are getting value for the money they spend.

The Chairman: Why would they have a monthly full page in *Saturday Night* and not in *Maclean's*? I am sure as an advertising medium, *Maclean's* can stand up to *Saturday Night*.

Mr. Brander: I don't know. I think you should ask *Time Magazine* and *Saturday Night*.

The Chairman: Well, we have asked *Saturday Night* and we will certainly be asking *Time Magazine*. Have you gone after that particular campaign—or your salesmen?

Mr. Brander: Not to my knowledge.

Senator Everett: While we are on that subject, do you feel that under the O'Leary Report it would have been better if *Time* and *Reader's Digest* had been treated as American magazines?

Mr. Brander: My view on that question is, I think, similar to views you have heard expressed and I have heard them expressed.

At the time of the O'Leary Commission, I was one of the concerned individuals of the future of magazines in Canada but I came eventually to the, I think, pragmatic conclusion that any effective operation of a magazine industry in this country required a number of magazines, and that we would have been in a more difficult position without both *Time* and *Reader's Digest*.

Senator Everett: Do you still feel that way?

Mr. Brander: Yes.

Senator Everett: Notwithstanding the disadvantages that you were talking about?

Mr. Brander: Yes.

Senator Everett: Do I take it that your complaint about *Time* is the amount of promotional budget that they are able to spend and not the whole cost of the editorial content?

Mr. Brander: I don't think, Senator, I am complaining. I am just stating a fact of life. It is the environment. The question is, do we have any difficulties. There are competitive differences we have to recognize. So I take this as one other competitive problem. We have other competitive problems with other media.

The root source of the additional funds and the availability, certainly stems back to a different kind of an operation and here again, in any operation of a parent magazine there are savings which are just not there for anyone producing an entirely original magazine, so the two are related, yes.

Senator Everett: But you don't think anything should be done to change that situation?

Mr. Brander: I just don't feel there is anything that can be done or will be done.

Senator Everett: We are interested in, not your frustrations, but your feelings. Do you think anything should be done?

Mr. Brander: I don't think so.

The Chairman: Can I just ask a supplementary question?

Since 1960 *Time's* advertising revenue has doubled. Yours has in fact, decreased. Is there any reason to think that that trend will change, or in ten more years are they going to double again and yours will be down still further?

Mr. Brander: Well, we are not doing that badly. Actually, last year our revenues were up over the previous year, and if you look at the cycle over a number of years, we did go down for a while. We also introduced our French magazine. If one takes the figures today, I think you will find we are back where we were a few years ago and we are moving ahead. I think that over the long term, with the normal ups-and-downs of the business, that *Maclean's* and *Le Magazine Maclean* can both continue to make progress.

Whether or not we can make the rate of progress that I think it is likely that *Time Magazine* will continue to make is an open question.

I just don't know.

I do think this, that the size of the market in Canada is only so large but I do think some of the growth and some of their present advertising content is generated in part by

the fact that they are an international advertising medium.

The Chairman: This is *Time* you are talking about?

Mr. Brander: Yes, and the *Digest*, too.

The Chairman: We don't want to talk endlessly about this same question that Senator Everett has brought up but I thought I detected in one of your answers, a few minutes ago, almost a note of despair. You seem to say, nothing will be done so what is the point of discussing it. Is that your position? Do you think if anything could be done, should it be?

Mr. Brander: I just think that the elimination, if you will, of the Canadian edition of *Time* and *Reader's Digest* at the present time, is an impractical and unwise step that will harm the magazine industry as it exists in Canada, and as part of that harmful effect, that *Maclean's* and *Le Magazine Maclean* will be worse off.

The Chairman: But what about Mr. Fortier's question put earlier to Mr. Gzowski. Mr. Gzowski said he prefers *Newsweek* to *Time*. Why don't we allow *Newsweek* to come in here with a Canadian edition and give *Time* some additional competition. Would you be in favour of that?

Mr. Brander: I certainly would not.

The Chairman: Why?

Mr. Brander: The competition would be increased, and one of the problems of the magazine industry and the advertising business in Canada, as a whole, is that we are carving up a very small pie—so I would not welcome the introduction of another major U.S. competitor.

The Chairman: How small a pie are you carving up, Mr. Brander. Do you know off-hand the percentage of the national advertising revenue expenditures in Canada...

Mr. Brander: Two to three per cent.

The Chairman: Two point four per cent is the figure that I have in mind. That is going down. Is there any reason to think that trend will be arrested.

Mr. Brander: I don't think it will change significantly, no.

The Chairman: Do you think it will level off?

Mr. Brander: There are changes that go on, and the magazine industry in Canada, all of us, are regaining to some extent what we call lost television dollars. These modifications will take place.

Senator Everett: I want to ask Mr. Gzowski, how he feels about the business of the continuing form of journalism, when he views the demise of the *Saturday Evening Post* and the fact, as I understand it, that *Life* and *Look* are perhaps losing money or certainly not in the dominant position financially that they were.

Do you think there is going to continue to be a form of journalism.

Mr. Gzowski: Oh, yes, Senator, very strongly. I think it is going through a period of reappraisal and redefinition of itself, and the *Saturday Evening Post's* misfortune, to understate what happened there, was part of their failure to do that kind of reappraisal, or at least to do it efficiently. *Collier's* died the same death several years ago. This is nothing new in the business. It is just accelerated.

I can see the future of magazines, though, as an enormously healthy one and I can see some turn, as Mr. Brander says, there's some leveling off in Canada now, but it is a matter of magazines doing what they are now doing, adapting themselves to a change in interpretation of the function of the magazine.

It is a new world, and magazines have to adapt to it, but they can, and will and those who are, are flourishing.

Senator Everett: What sort of adaptation do you see?

Mr. Gzowski: Well, a very careful definition of one's market and a change from the (a technical term that I'm sure all you Senators have heard) from the horizontal market to the vertical one, and one of the directions I think *Maclean's* must take, and is taking, and will take, is to an even greater emphasis on its own Canadian-ness which is the definition of its constituency.

The magazines with a clear understanding of their constituency throughout North America and throughout the world are flourishing. Magazines which have no definable constituency, (the *Saturday Evening Post* being the most dramatic case in point) are floundering, but in North America generally, and in Canada specifically, there is great future for magazines who understand this.

Senator Everett: Do you think then, that Canada is a vertical constituency in the terms that you have defined?

Mr. Gzowski: Yes, sir, I do.

Senator Everett: Not a horizontal constituency?

Mr. Gzowski: Yes, I think Canada is a vertical constituency.

Senator Everett: And therefore, you think a magazine could survive on that constituency?

Mr. Gzowski: Yes.

The Chairman: Could magazines which are further specialized—could a Canadian magazine dealing strictly with sports survive?

Mr. Gzowski: On that particular one I would doubt it, because they are dealing with the verticalized *Sports Illustrated* which is an incredibly good magazine and carries news of special interest to sports fans, such as you, Senator, and such as me.

I can't imagine that a Canadian sports magazine could give a better insight into the kind of sports that I am interested in than *Sports Illustrated* does.

Maclean's, when there is a specifically Canadian story, fulfills that function and carves it out where *Sports Illustrated* would not normally, and that, I think, verticalizes *Maclean's*.

The Chairman: I think you carry far more hockey news than *Sports Illustrated* does—not news, but articles, features.

Mr. Gzowski: Just better, Senator, not more.

Senator Everett: That means in your judgement we won't have the large circulation magazines?

Mr. Gzowski: Well, *Maclean's* is a pretty large circulation magazine in some sense. We are certainly going to have *Maclean's*.

Some of these other magazines that have come up, have been mentioned, as defined vertical markets are pretty large. Vertical markets are not necessarily small.

Senator Everett: On this subject, but it is slightly personal, we have been told by many, many witnesses that it is virtually impossible to start a daily newspaper in a large community.

In your judgement, is the vertical approach best, do you think that is possible as a means of daily newspapers.

Mr. Gzowski: I think it's possible in starting a new kind of press, but I don't think it would be a daily newspaper.

The unfortunate magazine that got waved around a lot, earlier this morning, is fulfilling a very real—and one hesitates to get into the vertical or horizontal adjectives there—but it nevertheless is serving a certain constituency, and there is evidence throughout the country of publications serving general or specific constituencies within geographical boundaries.

There is the *Mysterious East* in the Maritimes, and the *Fourth Estate*, and so on, and across the country, these are happy little pockets, but I can't see, not in my lifetime anyway, this turning into a whole new kind of daily newspaper.

Senator Everett: Do you see them as periodicals?

Mr. Gzowski: Yes, I think so. I would be delighted if there would be a daily, but even in New York, where there is a flourishing kind of this newspaper, the *Village Voice* survived and now is getting rich.

It is curious to think of the *Village Voice* as being a highly successful business enterprise but it certainly is. It is serving that constituency, but it continues to be a weekly. It did very well during the newspaper strike. But it never went daily, nor can I see this happening.

I would agree with all the other witnesses that we cannot start a daily newspaper now.

The Chairman: Can I ask you what purpose is served by the weekend papers—the *Canadian* and *Weekend*, which Mr. McEachern I think, if I quote him correctly, referred to in his opening comments as “stuffers”. I think that was the noun he used. What is your comment, Mr. Gzowski, on those. Do they serve a particular constituency?

Mr. Gzowski: Yes, they do, I am unable to infer it from reading the weekend publications. They put a little colour in the daily newspapers, that would be what I think they do.

The Chairman: I think the Committee would benefit greatly if you would spend a moment or two, and tell us about your own

efforts, which I am aware of, but perhaps some of the Senators are not.

You spent some considerable time and effort trying to start a magazine in Canada. As a matter of fact, I think that was probably almost a full time occupation prior to your move to *Maclean's*. Could you discuss some of the difficulties? Did you despair of starting such a magazine yourself?

Mr. Gzowski: Curiously enough, no, I did not despair, and knowing what I know now, after having spent eight or nine months in failing to produce it, I'm still convinced it could be done.

I think maybe I did a few things wrong, but I think it could be done. I think it will be done by other people.

The Chairman: What was the biggest problem? Money?

Mr. Gzowski: That was the only problem, Senator.

The Chairman: That was it, in total?

Mr. Gzowski: Well, we didn't have it.

The Chairman: How much would you have needed to start?

Mr. Gzowski: Our projection was \$450,000 which some people with more experience in this area, have told us was too low. A few people of comparable experience aid it was about right, but it was \$450,000 that we set out to raise.

The Chairman: Mr. Fortier?

Mr. Fortier: That was a supplementary question, I have other questions on other subjects.

The Chairman: Senator Everett?

Senator Everett: I have just one question that sort of follows on. On this difference in the size of the promotional budget between *Maclean's* and *Time*, has the Magazine Advertising Bureau made any difference to this? Is this important? Has this reduced the difference?

Mr. Brander: The Magazine Advertising Bureau have been very helpful to each one of the members and *Maclean's* and *Le Magazine Maclean* are both members. And in fairness to my earlier statement, where I made the suggestion that large promotion monies could be available and I think also said, and deliberately, that could be spent if they so desired.

I would also like to give the other half of the coin, and pay tribute to *Time* and to *Reader's Digest* for the every substantial amounts of money, which are available from them, to help promote the magazine industry in Canada. That money is available through the quite legitimate, and equally proportioned to revenue, contributions which they make.

Senator Everett: What does the Magazine Advertising Bureau do?

Mr. Brander: Its specific purpose is to promote the sale and acceptance of advertising in magazines in Canada.

The Chairman: Does it promote the sale of magazines too, to the public?

Mr. Brander: Not circulation, no—strictly advertising.

Senator Everett: My question still stands. Does this reduce the difference then in the amount of monies expended by *Time* and *Maclean's* on promotion?

Mr. Brander: I have no idea.

Senator Everett: Do you think it has?

Mr. Brander: I think the two are quite separate items, but certainly there are some things where we work together, such as, audience studies, research, and so on, whereby working together we can pursue projects which, if we paid for them independently, would be terrifically expensive. In this way, all the magazines participating do benefit.

The Chairman: Mr. Brander, page eight of your brief, you say in the second paragraph, "In particular, the CBC government subsidy produces inequitable competition." Which is it that you are suggesting, that the subsidy be removed from the CBC, or that your company gets a subsidy?

Mr. Brander: I am not suggesting that our company get a subsidy. We have not asked for one and don't want one.

The Chairman: Are you suggesting that the CBC subsidy be removed?

Mr. Brander: I don't know. That is beyond my province and wisdom, but I cannot help but recognize, as part of the communications industry, that it is sometimes an odd situation in that we find ourselves competing against television, which is government subsidized.

The Chairman: You say it is beyond your province. It may be beyond your province, but it is in your brief. You say, "The CBC government subsidy produces inequitable competition."

Let me ask you more directly, what do you think should be done about it?

Mr. Brander: I do not know. I feel this, that I think this Committee's members should be well aware of the existing subsidy, and I am sure they are, and I think that this is something that they need to ponder very seriously and the effect it has on all the communications media in Canada.

The Chairman: However, you would not be in favour of a subsidy for your industry, or for your company?

Mr. Brander: No.

The Chairman: Presumably then, the only conclusion I can draw is that you think that we should examine, unsympathetically, the subsidy which the CBC receives.

Don't let me put words in your mouth, but I'm trying to...

Mr. Brander: No, I merely state the fact that it makes it very difficult for other media to the country, a subsidized television operation. Yet I would be the first to say that a good deal of the work of the Canadian Broadcasting Corporation is significant and important to the country.

The Chairman: We can leave it at that.

Senator Prowse: Let us get a little more specific. To what extent do you get hurt by the activities of CBC television and radio? How much advertising did you lose to them, and let us get it all together and compare it with what you lose to the independent TV and radio.

Mr. Brander: Television is certainly one of the chief competitors of the magazine industry and in that sense, we are competing against two chains.

I don't have the facts here, therefore I don't want to make assumptions, but in some cases it is true that advertisers can purchase CBC programs at very low rates, resulting simply from the fact that the CBC is subsidized and this sets up inequities in advertising structures and costs, which are difficult to...

Senator Prowse: Have you any reason to believe if the CBC wasn't there, the market

presumably would be reached by independent TV and radio stations, would it not? Can we assume that...

Mr. Brander: The market would be reached but whether or not by independent television over the same broad range of the country, I don't know.

Senator Prowse: So what you are saying really is, you get hurt by people that want to put advertising in TV or radio rather than putting it into a magazine.

Mr. Brander: That's true. It depends on the amount of money available. Sometimes there are advertisers who for a good reason wish to advertise in television, but the facts of life are that we only have so many dollars. They may still wish to use magazines sometimes, but there's just no money left. This is one of the difficulties of the magazine industry—that the total cost of advertising in television is so enormous and we get back to the size of market in Canada and the number of dollars which are available...

Senator Prowse: Wouldn't you say that anything that you get hurt by the CBC, by the fact that there is this government subsidy, to provide an extension of services to a particular area that nobody else might want to go in to, if it hurts you at all, hurts you very little. That is not your real problem, is it?

Mr. Brander: Would you like to comment on that, Mr. McEachern, on the precise point perhaps?

Mr. McEachern: I would say certainly in the diversion of dollars into that area, yes.

The point I just wanted to make prior to your question, you understand that the CBC undertakes to program for its network, so many hours per day. They get confronted with a programming situation. They are going to put them on the network. Some revenue is better than no revenue, so they come to you and say, will you give us fifty thousand? Their cost might be four hundred thousand but fifty thousand is better than zero dollars, so this kind of situation, call it what you will, creates a botching effect on the whole rate structure in the advertising world, and all sorts of advertising decisions are made in a very curious way. As a result you may be able to go to CBC and get a very expensive show for a relatively small amount of money.

Senator Everett: Do you have any evidence that they go off their rate chart?

Mr. McEachern: Not with me.

The Chairman: It might be useful, Mr. McEachern, if you could supply it to us, because the CBC are coming before this Committee and we feel it would be useful to us to have this information.

Mr. McEachern: I don't think I am telling you any news.

Senator Everett: I could understand if you are talking about a situation in which the revenue doesn't cover the cost of the show, but I thought you suggested that they will go off the rate chart.

Mr. Gzowski: I think there may be a little confusion here, Mr. Chairman, although the CBC is a better source than I am, but I don't think the point is going off the rate chart. I think the point is being able to sell, on the rate chart, a program which costs a great deal more to produce than the sponsor can pay for it, so it's not really, I don't think, off the rate chart.

Senator Prowse: Well, to come back to my point, what I'm getting at is this. Is this a substantial complaint? Are you saying you are being hurt by the CBC, or is this just repeating a general feeling you have. Then I have one more question.

Mr. Brander: I think it is repeating and emphasizing one of the difficulties in magazine competition against television.

Senator Prowse: Now, let's take the next to final question, which is this. You stated that, although you have a complaint of much the same character, for a different reason, against *Time* and *Reader's Digest*, you still feel that is in the interest of the magazine industry that *Time* and *Reader's Digest* should stay in business because they create that kind of community?

Would you say that the price that we pay for the CBC, under these circumstances, may produce a better service to the Canadian public than they would get without it, and in the same way, do they get better magazines because those two are there?

Mr. Brander: It may well be, at the present time, and the size of the market, and the development.

Senator Prowse: In any event, you can't suggest to us any immediate and simple answer?

Mr. Brander: No.

The Chairman: What about the competition. You single out the CBC. Surely The CTV network must take advertising revenue that might otherwise go to magazines.

Mr. Brander: Yes, it does.

The Chairman: That causes you some unhappiness, but you can't...

Mr. Brander: It is a peculiar fact of, perhaps, of attitude, that one wants to compete on equal ground somehow.

The Chairman: Have you ever known CTV to indulge in this particular practice of selling a program for less than it cost to produce?

Mr. Brander: Not to my knowledge.

The Chairman: You can't—are you sure?

Mr. Brander: No, but I'm not completely knowledgeable.

The Chairman: Can you tell me Mr. McEachern?

Mr. McEachern: No, but this is not the sort of thing we are likely to have specific information on.

One fact of life, which I know about, are that CTV program costs are of a very different order to those of the CBC.

Mr. Fortier: Mr. McEachern, in your brief, as well as your opening remarks this morning, you make very much of the fact that *Maclean's* is "for and about Canada". You speak of *Maclean's* having as a constituency, Canada.

You speak of *Maclean's* unique roll, by referring to the roster of writers and illustrators which *Maclean's* has introduced and developed for Canadian readers, and you give a series of names, L. M. Montgomery, Robert W. Service, T. B. Costain, C. W. Jefferys, Stephen Leacock, Beverley Baxter, and many others.

You seem to stop in or around 1960 with your list of names and this is why I am led to quote to you, a statement made by Senator O'Leary yesterday before this committee, and again this is reproduced in this morning's *Globe and Mail*, on the first page, in fact.

He said before us, that when he was chairman of this commission, in 1960, he was "hoping to save those Canadian magazines that were worth while—not the sort that are published today."

He went on, being particularly outspoken about Maclean's and its lack of Canadian interest and Canadian content, and he said "In recent months the new editor has made improvements". But before then, that magazine might have been published in San Francisco or Timbuctoo or New Orleans... sometimes they get out Maclean's and you think it is a pale imitation of Playboy."

Would you please comment, Mr. McEachern?

Mr. McEachern: I don't think I should be asked to comment on the quality of *Maclean's* performance in recent years, or on the performance of specific editors.

The Chairman: You are being asked to comment on Senator O'Leary's statement.

Mr. McEachern: I did, and what I said earlier, points out that we are now producing a very different kind of magazine than we were ten years ago.

Mr. Fortier: Is that now, as opposed to ten years ago?

Mr. McEachern: I did say that if we were now producing the same kind of thing as we were ten years ago, we would probably be quite out-of-date.

Mr. Fortier: But Senator O'Leary suggested that ten years ago, *Maclean's Magazine* was a magazine which was worth preserving.

Mr. Brander: And he says it is not now, I gather.

Mr. Fortier: Right.

Mr. McEachern: That's a difference of opinion.

Mr. Fortier: You don't agree with it?

Mr. McEachern: No, Sir.

Mr. Fortier: And you don't agree that any time in the last ten years it has prostituted itself in any way to a point where a chairman of the Royal Commission would say, "Had I known that *Maclean's* was going to become the kind of magazine it has become, I would not have suggested to the government of the day, that it be protected."

Mr. McEachern: This I disagree with. I would certainly disagree with the word 'prostitution'.

Mr. Fortier: That was mine.

The Chairman: In fairness to Senator O'Leary and in fairness to the witness, that was not a word that was used.

Senator Everett: Could I just hear Senator O'Leary's statement again?

The Chairman: Do you want to read it again, so Senator Everett can hear it? This is as reported in the *Globe and Mail*, you will appreciate.

Senator Everett: Mr. Fortier said he thought it was fairly accurate.

The Chairman: I think it is, but we haven't got the transcript. We are reading from the *Globe and Mail*.

Mr. Fortier: We must rely on newspapers on occasion.

"He was especially outspoken about Maclean's and its lack of Canadian interest and content." He said, "In recent months, the new editor has made improvements, but before then, that magazine might have been published in San Francisco, or Timbuctoo, or New Orleans. . . sometimes they get out *Maclean's* and you think it is a pale imitation of *Playboy*."

Mr. McEachern: First of all, you are aware of some things that have created some controversy in an attempt to seek a new kind of *Maclean's*.

Secondly, and I made the point this morning, or earlier, we used to be charged with being highbrow and with being limited to too small an audience.

A magazine of *Maclean's* circulation is not going to be of very intense interest to Senator O'Leary personally. This is just one of the facts of life. He would probably be more content with the kind of editorial content which would be appropriate to a magazine with a circulation of ten to fifty thousand.

Ten years ago, I think the charge probably was fairly legitimate. The editorial content was pitched at the older, educated person—high educated person. This really doesn't make sense...

Mr. Fortier: You say ten years ago. That is the period which he investigated and he said, "That's what I wanted to preserve", is it not?

Mr. McEachern: Well, we, in the meantime, had the big problem of preserving ourselves.

Mr. Fortier: Would you care to comment, Mr. Brander?

Mr. Brander: No, I think Mr. McEachern has covered it. I just think there's a lot of generalization coming into the statements of yesterday, and I know that there is a reference that sometimes *Maclean's* is a pale imitation of *Playboy*.

On the other hand, there was evidence yesterday that *Playboy* was a very popular and well read magazine, by Senator O'Leary and by the Chairman of this Commission, so, you know, this is confusing.

The Chairman: I also read *Maclean's*.

Mr. Brander: And I would expect you to do so, sir. But the circulation performance is the thing I think you have to come back to, and ten years ago, the circulation performance, generally speaking, was a very sound result.

All through these years of, these years of experimentation, these years of deliberate change, and the process of flexibilities that we go through, aggressively, sometimes in the magazine business, all through it there has been this growth of leadership and acceptance and acceptance of the magazines, and I think it is rightly changing with the times.

I would say this, that all of the people, generally speaking, associated with the magazine, throughout this decade, have made some notable contributions to it.

Mr. Fortier: I think, maybe, Senator O'Leary's use as a comparison of *Playboy*, was not a happy one, because, as I understood it, his comments had to do with Canadianism, and this is why I relate them to your brief.

So, is *Maclean's Magazine* less of a Canadian magazine than it was ten years ago, given all the remarks which we have heard?

Mr. McEachern: Absolutely not, because the only thing that is in *Maclean's*—it is all Canadian.

I believe that Senator O'Leary deplored the fact that we no longer had news bureaus in Washington and London, or something.

The Chairman: He mentioned that.

Mr. McEachern: All right, one reason we don't is the deluge of television news from Washington and London, so by the time people get to *Maclean's*, they have already had that dose, so we are becoming more Canadian. We have to be.

The Chairman: Why must you become more Canadian?

Mr. MacEachern: Because these people, the mass audience, has already had its dose of stuff from Washington and London, and the foreign stuff, so this is one of the pressures that we have had to submit to. We have to face the facts of life.

The Chairman: Mr. MacEachern, I know it is not your problem, but would you think that *Time* will have to become more Canadian?

Mr. McEachern: I think that *Time* is in a very comfortable position.

In relation to your earlier questions, the facts of life with *Time* are, that Time Corporation revenues are colossal by all publishing standards, and what is a substantial sum of money for us, is cigarette money for *Time*, so *Time* literally, can do what they want to do.

For various, I would say, special reasons, because of the uproar at the time of the O'Leary Commission, and probably as a result of these hearings, *Time* is extremely interested in maintaining and strengthening its position in Canada.

I don't say this with any antipathy to the *Time* people. This is one of the natural reactions that this great corporation has.

Remember, that to a degree, *Time Canada* is a test situation for *Time International*. Ten years ago, they were threatened in this country. *Time* has editions in thirty countries. If all thirty countries developed ideas such as Canada had ten years ago, *Time* would be very unhappy, so this is one very practical reason why *Time* wants to do well in Canada and by Canada.

The Chairman: I know they want to do well in Canada. It is the question of wanting to do well by Canada that interests me at the moment.

You said that your magazine is going to have to become more Canadian. Now, that is an exact quote.

Mr. MacEachern: Is it an exact quote? I hope I said, "to do the Canadian job better".

The Chairman: Fine. Do you not think then that *Time* by the same token, should become more Canadian, to do the Canadian job better. That is not your problem, I appreciate that.

Mr. MacEachern: The *Time* people are very smart. They know how to run publications. If they think that the Canadian population

wants twelve pages of Canadian news, instead of four to eight, well, they can easily do this.

With this prodigious power of financial resources, these things don't matter.

The Chairman: Thank you very much. I wonder if we might put your question, Mr. Fortier.

That is, you were asking really for comments on Senator O'Leary's remarks yesterday.

I think it might be useful to the Committee, to ask Mr. Gzowski to comment on that because that was approximately the period of time when he was away from *Maclean's*.

Also, Senator O'Leary was very generous to him in the course of his comments.

What validity would you place in his comments about *Maclean's* in the years that you were away? I appreciate that's a very tough question.

Mr. Gzowski: Not as tough as the answer.

I think Senator O'Leary—I was thinking as I read the report of his comments this morning, how badly we need writers with that ability to turn a phrase and I think Senator O'Leary has a colorful headline and news-making ability with words, which I admire and envy.

I would suggest to him that he overstated a few points of his case, and I would also suggest to him that the writers who were producing the *Maclean's* of the nineteen fifties and early nineteen sixties—I, incidentally, was one—are still around, are generally coming back in *Maclean's* insofar as they have ever left it.

I very much believe that there is a new generation of Canadian writers, doing perhaps, a different kind of thing than Thomas Costain, who went to edit the *Saturday Evening Post*, which shows what he knew, but I think that there are literally scores of writers in this country.

I wish we had space and opportunity in *Maclean's* to use them all, but we are using as many as we can. I think there is a new generation doing things in a new way, which may not be Senator Grattan O'Leary's way, but I would also suggest that the circulation figures and the general health of *Maclean's* reflects that this is a successful way to do this.

As for the more Canadian part of it, I think it is fundamental. I hope we can leave this

Committee with the impression that there is a genuine community of able, talented writers in this country and that it is very necessary that they survive as a part of the survival of Canada as a country, and that the people of this generation now coming into the seats of fame are equal to those of any previous generation and perhaps even better.

I think that *Maclean's* is going into a period—particularly at this juncture in history—that it has never been more important that *Maclean's* survive, so I would disagree diametrically with Senator O'Leary on that point.

The Chairman: Mr. Brander, this is the March issue of *Maclean's*—when do you first see that issue?

Mr. Brander: I get what is called a rough checking copy of the magazine.

The Chairman: That is the first you see of it?

Mr. Brander: Of the magazine as a whole, yes.

The Chairman: When would you first see it, Mr. McEachern?

Mr. McEachern: I would see rough proofs six weeks or two months ago.

The Chairman: Would either one of you be free to make changes at that point?

Mr. Brander: Not at the point I see it.

Mr. McEachern: Make suggestions, yes.

Mr. Fortier: Mr. Brander, Senator O'Leary, in his report, page thirty-nine, said that Canadian magazine publishers spend ten per cent to twenty per cent of their total revenue on editorial content.

We would be interested in knowing today what percentage of your total revenue you spend on editorial content.

Mr. McEachern: You have the figures. This is something we would not wish to announce publicly.

Mr. Fortier: I know we have those figures, but I think you can probably see why I am very interested in having that figure.

Mr. McEachern: I would be interested in having it on the record for the purpose of questioning, which will be directed to witnesses who will be called before the Commit-

tee. I think I can hear a laugh from Mr. LaRue in the back there.

The Chairman: Before you say anything, I'm prepared to accept your answer.

Mr. McEachern: Let me say this. I resist answering this specific question for quite a few reasons.

First of all, when one publication starts comparing that figure with someone else's, you find that they do the bookkeeping differently.

Secondly, my friends at *Time* can bookkeep several different ways so no matter what I say figures can turn out in a very interesting fashion.

What I can tell you is, that among the publishing houses we know in North America, the big ones, the percentage of total revenue which we spend on editorials is very much higher by this same definition than is common in the United States.

Mr. Fortier: I still do not understand why you would not tell this Committee, and have it put on the record, what the percentage of your revenue is spent on editorial content.

Senator Everett: Mr. Chairman, I think the witness has given his reasons.

The Chairman: I was just going to let Mr. Fortier finish his sentence and then I was going to say that, not withstanding the fact that he is disappointed, I think the disappointment will have to stand because we do have the information, and if Mr. McEachern chooses not to put it on the record, then I think, for the reasons he has explained...

Mr. McEachern: Well, it is on your record.

The Chairman: Yes, in our files. Thank you very much.

I again say to you, Mr. McEachern, and to the others who joined you, Mr. Sisto and Mr. Gzowski, and Mr. Brander, you have been most patient, we are most grateful, and you have been most helpful. If I may say to the Senators, reminding them of the balance of the day—working backwards—nine o'clock tonight, Mr. Ken Lefolii is the witness; eight o'clock tonight, the International Typographical Union; at four-thirty today we will hear from the much-discussed Magazine Advertising Bureau, and at two-thirty this afternoon, we will hear from Chatelaine Magazine.

The Committee adjourned at 12:55 p.m.
... Upon resuming at 2:30 p.m.

The Chairman: Honourable senators, may I call this session to order.

This afternoon we are going to receive a brief from the Chatelaine group of Maclean-Hunter Limited.

Seated at the front—and perhaps you will allow ladies first—on my immediate right is Mrs. Doris McCubbin Anderson, who is Editor of Chatelaine. Sitting on Mrs. Anderson's right, is Madame Saint-Martin, Editor of Chatelaine. On my immediate left, is Mr. Lloyd M. Hodgkinson, *Châtelaïne* group publisher and who is also a Director of Maclean-Hunter. And of course, becoming a familiar face, Mr. McEachern. Is this your final appearance? He just congratulated me because it is his final appearance. We congratulate you. We are delighted you are here.

Now, Mr. Hodgkinson, the brief as requested was forwarded to us some three weeks in advance. The Senators have had an opportunity to read the brief, and I think have become familiar with its contents.

You now have fifteen minutes to make a statement amplifying, explaining or adding to it, or saying anything else you wish.

I know you have been here before, and are familiar with what I say. Once you are through with your statement, we will turn to the questioning. As we question you, I am sure you will realize that questions may be directed to other people in your group, and if you wish to direct questions to them please do so.

Mr. Lloyd M. Hodgkinson, Group Publisher and Director of Maclean-Hunter: Thank you, Mr. Chairman, and honorable Senators.

You have received our written brief on behalf of *Chatelaine*, *Châtelaïne* and *Miss Chatelaine* which today comprises the Women's group of magazines published by Maclean-Hunter.

With me today are Mr. McEachern, The Executive Vice-President of Maclean-Hunter, who appeared last Thursday for Maclean-Hunter, Doris McCubbin Anderson—Editor of Chatelaine and Executive Editor, Miss Chatelaine, and Fernande Saint-Martin—Editor of Châtelaïne. I am the Publisher of these magazines.

The format of our oral presentation is as follows—a few remarks from me; Mrs.

Anderson plans to review some of the editorial objectives and the manner in which these are executed for the English edition; M^{me} Saint-Martin plans a similar review for the French edition. We will be pleased to try and answer any questions.

May I point out, that the English and French editions of *Chatelaine* are not the same in editorial content.

Each editor has the editorial responsibility for her magazine within a framework of policy as to the type of magazine to be published. The editors co-operate with each other on material they feel is suitable for their particular audience so that some common subjects are featured in both editions. This co-operation is a natural month to month understanding to develop broader editorial subject material and avoid unnecessary duplication of costs.

The role played by the *Chatelaine* Group of magazines in Canada is difficult to describe with precision or specific documentation. There is no way, to my knowledge, of measuring the impact or isolating the contribution of magazines from the cultures in which they are a force, of separating the effects of these magazines from those of other forms of communication.

There can be no doubt, however, that the *Chatelaine* Group of magazines, which are read month after month by more than half of all the women in Canada, have a profound effect on the individual and the society of which she is a part. These magazines introduce a continuing stream of new ideas, putting them up for critical examination, and if they have a merit, feeding them into the main stream of thought in Canada's society.

It is important that these ideas are conceived and distributed by thoughtful Canadian people who believe it is important for this country to nourish and develop a genuine Canadian identity.

I believe these magazines have been responsible, in some measure, for the social and political reforms made throughout Canada during the past 40 years. They have put forth a national point of view that has fostered a sense of national community. They have provided low cost instruction in daily living to millions of Canadian families. They have entertained and provided pleasure. They have been an educator in the cultural heritage of the people of this country.

Mrs. Anderson and M^{me} Saint-Martin will speak more specifically to some of the current

articles and features to illustrate these points in a few moments.

Because, I feel these magazines are a constructive force in Canada, I also feel it is important they have a healthy climate in which to thrive, not just as magazines, but to thrive as a business.

Their revenues are received from two sources...the reader and the advertiser.

The historical pattern of obtaining revenues from the reader is by subscription and single copy sales. Because of the large sale of foreign magazines in Canada for a great many years, Canadian magazines must compete in the Canadian market-place by the rules of the game as established by U.S. publishers. And as a result, while our circulation provides a net surplus, our main revenues come from advertisers.

In the pursuit of advertising revenues, magazines have tremendous competition. During the 40 years of *Chatelaine's* publishing life, to date, we have seen radio and television reach into virtually every home. Much of the broadcast "editorial" product is created in other countries and used by domestic stations at relatively modest cost to them. This has given broadcast a cost advantage over magazines.

Similarly, we have seen newspapers, through wire services and syndicated columnists, obtain a fair share of their editorial product from outside of Canada. And also, we have seen newspapers introduce a network distribution of supplements, such as *Weekend* and *The Canadian*, through the newspapers as the carrier. All of these competing media have economies of either creative resource material or distribution not available to magazines. Let me assure you, I am not complaining about the good fortunes of other media, I am simply documenting the facts of magazines' competitive life. Add to this the tremendous overflow into Canada of foreign magazines and one readily realizes that the environment for publishing of Canadian magazines is not one for the faint hearted.

But these magazines have continued and the *Chatelaine* Group are stronger than they have ever been—and more than 50 per cent of all the women in this country over 15 years of age, read them. Today, with 980,000 paid circulation, *Chatelaine* English edition is the largest single Canadian magazine. Similarly, *Châtelaine* French with 270,000 circulation is the largest in French Canada. And

their content is virtually 100 per cent Canadian.

Now some questions are being raised about the effectiveness of broadcast, and the advertisers are getting a little tired of dating the same girl. She's no longer new in town and they're beginning to look again at one of their old sweethearts—special interest women's magazines are looking better than ever.

With this background, perhaps it is easier to understand our sensitivity to drastic changes in postal rates or any other major cost area of our business. Particularly, do we find it difficult to recover from major cost increases in short periods of time.

The Maclean-Hunter position was made quite clear at a previous meeting. We do not ask for anything. We wish to be able to do our best and we are confident we can compete and grow because we know our business.

And now may I introduce Mrs. Anderson.

Mrs. Doris McCubbin Anderson, Editor of *Chatelaine*: Mr. Chairman, honourable senators, and distinguished guests.

The reason I am speaking today is that I am quite sure most of the people in this room are fairly unfamiliar with *Chatelaine* and the kind of material that we run. Naturally we are traditionally a woman's magazine, and we concern ourselves with women's affairs. We are kind of a "cope-kit" for women.

Month by month we tell them how to cook better, how to look better, how to raise their children better, and if possible how to make their husbands happier.

In addition to that, I think we have done a very solid job through the years, in a much broader spectrum and I think very often we don't get credit for this.

I think today if Canadian women are changing; that they are more urban, better educated, they are trendier; they are swifter; and interested in a very broad spectrum of ideas; I think that part of the reason for that is because such a large proportion over the years have read *Chatelaine*.

I think that *Chatelaine* takes a very hard focus on Canada. We are a Canadian magazine, it is really all we have to sell. We cannot claim certainly, and we don't claim, that we have been directly responsible for some big dramatic changes in Canadian life, but we certainly have prepared women for the way.

Edgar Allan Poe once said, "Magazines are the light artillery of the intellect." We think we have been the light artillery that has made it possible to effect some changes on the Canadian scene that, without a woman's magazine, might not have been possible.

I could go through, I think, about ten articles over the years on each of several areas that I am going to bring up very briefly now. I am really going to mention just one, and that is probably the first one that was published on this particular subject, to show you how long we have been talking about some of these things.

For example, pollution, which is now a very current and very big popular topic. We ran an article back in 1963 by Sheila Cairn called "Pesticides—They are destroying our World." We ran another article in 1966, "How We are Poisoning Canada." by Constance Mungle, and we have run several articles since then.

On the status of women, which is a very big and current topic now, and one of particular concern to the *Chatelaine* readers, we ran an article back in 1962 called "Are Women Second-Class Voters?" by Christina Newman.

We ran a very big questionnaire, there were 76 questions on it. If you are very nimble you could probably answer them in three hours, and it was directly on all sorts of things of interest to women in connection with the Status of Women survey. We got 13,000 replies from our readers. We compiled those replies and turned them over to the Status of Women Commission, and also prepared a brief for the Commission.

On nursing homes, another very current topic, we ran an article back in 1961 by Molly Gillen called "Are we Burying our Old Folks Alive?" Another very outstanding article on the same topic, which I will mention among others we have run on the same subject, a report on nursing homes by G. Tory Salter in 1965. In that case she was a nurse, and we put her into several nursing homes and she gave a first-hand report of the way people were being treated. As a result of that, an investigation was held, and three nursing homes were closed.

On divorce, in 1961 we ran an article "The Hypocrisy of Our Divorce Laws" by Christina Newman and we have been running I think at least one article on divorce ever since. We have given it a rest since the divorce laws have been changed.

On Indians we ran almost a whole *chate-laine* issue in November of 1968, on the Indian crisis.

On abortion—our abortion laws were just changed. We ran an abortion article back in 1960. It was called "Our Outdated Abortion Laws" by Dorothy Sangster. I had all kinds of phone calls and letters saying, "You are going to be forced out of business for running that particular article." Well, we didn't go out of business and last November we ran another article "Our New Abortion Law Already Outdated" by Molly Gillen, which ran in November, 1969. We are still banging away on that topic because we don't think the abortion law is good enough.

On battered babies—I don't remember any magazine on the North American continent, coming out with an article on this before we did. The first one we published was in 1960. It was called "Can't we Put a Stop to Cruelty to Children" by Dorothy Sangster. I had welfare agencies phoning me up and saying, "This is not really a problem. These instances are very isolated. It is not general." All I said was, "I read every week in the paper about some baby being battered to death and I think it is a problem."

So we ran the article and later it became a big issue and laws were passed about it.

On poverty we ran four articles last spring. One of them was called, "It is Hell to Live on Welfare" by Mrs. Alice Payne, a mother of six, living in Calgary. As a result of that article she was appointed to the Welfare Council set up by The Hon. John Munro. Another result of that series of articles, was that one of the authors, Ian Adams, went on to write a book which has just come out, published my McClelland and Stewart.

Housing—among the many other articles we have run on housing we sent a reporter, Constance Mungle, right across the country to do a two-part series on housing; one pointing out the problems, and the second one pointing out some of the possible solutions. That article ran in 1968.

The crisis in Quebec. I think the first time we ran an article on this, was in 1963, and the title was, "Is Canada Worth Saving?" and the author was Bruce Hutchison. Later on in 1964 we sent a reporter down to live in a Quebec home and we took a French-Canadian reporter and put her in a Toronto home, and we had them both report to both magazines on their results and how these two different parts of Canada felt about one another.

We held another survey on the Quebec question for our whole readership in 1968, called "How Far Will You Go for One Canada?" and published the results in the magazine.

These are just a few of a number of topics that I think are of very great and vital concern to both men and women in this country. Some of the other ones are on day nurseries, education, and a lot of other topics as well.

I think a lot has been said in front of these sessions about Canadian magazines being for Canadians, and we certainly think that is one of our functions. One of my first assignments on the magazine was to go all across Canada and report on women, outstanding women in various cities. Just before the Centennial year we sent a reporter again all across Canada and brought out what we called our Women of Canada series; a report not on outstanding women particularly, but just on ordinary women to tell Canadians in various parts of the country what we were like.

Right now we have a City Series going on called "How Would You Like to Live in Vancouver?" This is centered around the fastest-growing cities in Canada, and what it would be like for Canadian families to live there.

We are a Canadian magazine, we are Canadian from cover to cover.

People have objected this morning about some of the names mentioned that seemed to be sort of old. Well, we get old names and new names. I can give you a long list of either one. We have published Stephen Leacock, we have published Mazo De La Roche, we have published Gabrielle Roy, Hugh MacLennan, Dr. Blatz, Charlotte Whitton. If you want some new names—Margaret Laurence, I think you all recognize her as one of our outstanding fiction writers; and Ethel Wilson, another fiction writer.

We have developed a number of highly competent writers, some of whom I think you will be familiar with; June Caldwell, Christina Newman, Barbara Frum and many others.

We also have published works over the years of outstanding artists, and not just as examples of what they do in fine arts. We started a number of people giving them work, illustrations, long before they were well known. I think you might recognize some of these; Harold Town, James Hill, William Winter, Grant McDonald, just to mention a few.

On *Chatelaine* we only have one general staff writer, so 80 percent of our general articles are written by free-lance people. Over the past year I counted it up and we had 48 different by-lines by Canadians in *Chatelaine*. We develop writers, and we develop writers because we have to. We have sent four-page single spaced letters back to people, explaining how an article has to be re-written to come up to a magazine's standard. I think we are carrying on a kind of short article-writing course and we have been doing this for many, many years. In the United States I understand most large magazines don't even read their slush-pile, just send the material back.

We don't want to do that, we certainly can't afford to do that.

As for artists, over the last three years we have used 59 different illustrators in *Chatelaine*, and in the last year 12 appeared for the first time.

I forgot to mention that for the last year, eight of the writers that appeared in *Chatelaine* appeared for the first time in a national publication.

Over the past three years we have used 80 photographers and in the last year 18 of them appeared for the first time in a national publication. We are practically the only outlet left in Canada for short story fiction writing, aside from C.B.C. radio and literary magazines such as *The Tamarac Review*.

We have been accused of buying all our fiction in New York. I would like to buy none of it, but with the fiction market so sparse and so hard in Canada we do have to buy some in New York, but 50 per-cent of our fiction is Canadian fiction produced by Canadians.

We have heard a lot about carrying on a dialogue, and we do it—not only through the pages of our magazine, but in letters, in person—we go out to speak to them—we reply to their letters, we get phone calls, we get requests for information and requests about where to find information.

I kept track, since I knew I was going to be appearing before this Commission, of the various ways we make contact with our readers over a month, and it is something around 7,000 times. We have requests for booklets and information, phone calls to the various editors, letters that come to the editors, letters that come to the six service editors, speeches we make. We have contests we judge. I think

we are doing a very solid job of keeping in touch with our readers.

I think that *Chatelaine* has also proved its usefulness in authenticity of our material, because we are frequently asked for permission to reprint articles in specialized bulletins, welfare agency material, material for study groups, and we are often asked for permission to re-print material for university study groups, as well.

I think that is about all I have to say.

The Chairman: I thank you very much, Mrs. Anderson. Madame Saint-Martin?

[Translation]

Mrs. Saint-Martin: The French edition of *Chatelaine* is just as concerned with the problems facing the woman of to-day. But, naturally, as a magazine published in Quebec, it is a magazine which appeals to a very different audience than the English one. As you learned from our brief, the French edition has been in existence since 1960. This is a date, as you know, which marked the beginning of the Quiet Revolution in Quebec. I do not know whether it was a "revolution" or "evolution", but Quebec, and certainly the female population of Quebec, experienced during those years, a fantastic evolution which astonished all observers. It developed in a positive manner—that is to say, Quebec at that time experienced an impetus and underwent such considerable change that a magazine published in Quebec cannot help but be both the support to it as well as its voice presenting comments as well as criticisms. Last year, in Quebec, nearly 400 books were published. This is a large number of books for a province with a population of five and a half million French-speaking people. As a result, the French edition of *Chatelaine* is a literary chronicle of the past six years. There is such an abundance of French books in Quebec and because we review Canadian books written by Quebecers (les Québécois), this does not mean that we suffer from xenophobia.

We continually have articles on all activities in Quebec in the fields of: movies (where some fifteen films are produced each year); folk-singers; novelists; art and theatre in particular, which is so popular. On the other hand, Quebec, and mainly the French-Canadian women has undergone a substantial evolution which we have influenced. During those years, let us say that we did not conduct campaigns. Nevertheless we systematically

tried to inform the female readers in Quebec of the fundamental problems on which decisions should be made.

Thus, before and since Bill 16 was passed, giving equal legal status to the married woman, we have carried a very large number of articles which dealt with these problems—giving opinions of the women involved in all the aspects of this problem.

Likewise, we were extremely interested in the revision of the Civil Code in Quebec, which as you know was the Napoleonic Code, which is different from the Code used in English Canada. The revision of the Civil Code is underway, and certain areas have already been redefined which are completely changing the life of the Quebec woman. Obviously we wanted to inform our readers of the changes. We also asked them to speak out—to tell the governments what Quebec women really wanted in the way of change.

Likewise, the development of the Quebec woman is quite interesting. She is becoming increasingly a North American type of woman. But this is taking place at a different speed and in a different way. Problems like divorce, for example, arise in an entirely different way in Quebec. It was only last July that divorce courts were set up in Quebec. Within a few months, the number of divorces increased, I think, by 700 per cent. This represents a very sharp change about which women should be informed, in order that they may know exactly what is happening and where things are going.

Likewise, I think that the major boost to the Quiet Revolution was the great change in education in Quebec. With the establishment of a secondary school system open to all classes of society and to girls, a free system of education promoted changes in the traditional structure of education. Generally, we are interested in the same problems as our colleagues in Toronto, but viewed in the context of the province of Quebec, where the major fields, like welfare, family, health and education, are under provincial jurisdiction. Therefore, we must tackle the problem in the framework in which it arises in Quebec, and inform the readers of these changes which are taking place.

Without wanting to be boastful, I think that our role during these years has truly been unique, in the sense that we have reached a very large number of women—many men also (because for each issue we claim to have one male reader who reads the entire maga-

zine). And we believe that this is essential since social change, emancipation and the liberation of women cannot take place without dialogue with men—the husband. Therefore our orientation is clear.

We also had an opportunity to play a major role in the development of Quebec literature. We were able to publish fully the works of French Canadian authors. Most of the great French-Canadian writers have appeared in our magazine, and can continue to do so. On the other hand, we have also published young writers for the first time, people like Anne Hébert or Yves Thériault, Marie-Claire Blais, Jacques Ferron, François Loranger, Marcel Dubé. Finally, all Canadian authors have been read in our magazine. Often they are authors who are not necessarily easy to read but who are able to express to our readers a sensitivity or point of view which is—if such a thing exists—Quebec's own. They have reached a public which is concerned, as we are in the development of Quebec literature. I could certainly discuss this area more fully but I do not want to take up too much of your time.

A magazine's importance is measured in many ways. For example, three years ago, we co-operated with Mr. Lévesque (who was then the Minister of Social Welfare and Family Services in Quebec) in the setting up of a poll. I think that he considered himself first as a Minister of Welfare, but fate had it that the Department of Family Services be joined to that department. At that time, he confessed that he was quite unaware of the problems which women are facing in society and in the family. We worked with him and conducted a poll among our readers in which they were asked what they wanted from the Department of Family Services with the view that the department would seriously consider the ideas. As you know, the government was defeated, but the influence of poll and the interests of the French women in Quebec can be seen in the changes, for example in the family allowance system.

Obviously, all these problems are very complex, as you know. There is the question of the involvement of the Federal Government. Should family allowances be repatriated? These are the things which we have to tackle because they are problems which have an immense effect on the lives of all women who read our magazine. We are one hundred per cent Canadian, but let us say that we see our magazine essentially as a magazine which is

going to provide adequate information. We are convinced that in a democracy, it is extremely important that enlightened public opinion be shaped so as to permit the government to promote progressive policies. Thus, information is extremely important. At this moment, we are also trying to instruct our readers (since they are a part of a French-Canadian culture in Quebec) and we are using the information coming from the English edition of the magazine to do this.

I shall give examples. In the list given on page 3 of our brief, problems such as maternity care in Canadian hospitals, i.e., how medicine is practised in cases of women who are giving birth, pre-natal care and post-natal care were covered. In fact, Canada has a fairly high and dangerous infant mortality rate. This is to some extent how we co-operate with the English magazine. Many of those articles and much of the research are used by us as basic documentation on problems which arise throughout Canada. Here, apart from the questionnaires which had been sent to all Canadian hospitals, we found out what was happening in English-Canadian hospitals. In turn, from that, we sent questionnaires to some twenty hospitals in Quebec in order to find out what was happening in Quebec.

We feel that it is very important for women in Quebec to know what is happening elsewhere in Canada and to be aware of any problem areas in their environment. If such is the case, they should know what should be done, what should be demanded. On the other hand, if they are merely satisfied with what there is in Quebec, so much the better.

The same holds true for the problem of poverty which we call a facet of the feminine condition. Obviously, the problem is not just a national one here in Canada, but an international one. However, it is a very real problem in Canada. The working women are most certainly in an inferior position. This is especially so in Quebec as female wages in Quebec are the eighth in the country. Accordingly, we find it essential to use the best Canadian journalists from this "pool" of writers which the English *Chatelaine* uses: We are therefore anxious to use all material to give the women of Quebec a better understanding of their own situation and what should be done to change it.

And quite simply, as I wanted to add earlier, it happens fairly regularly that we order work from correspondents in France. For example, many articles, such as those dealing with the psychology of the development of

the child from 1 to 5 years of age, have been based on the psychology of Piaget. He is a pioneer in the field of child psychology and he is, only just now, becoming well-known in America. So we have described his views.

Similarly, in November 1969, we published an article on the best contemporary French novelists. We share, both a bond of language with France as well as similar types of problems, and as a result we have developed a relationship. For example with regard to the problem of nurseries, we called upon a Montreal associate to conduct a survey in France regarding the organization of so-called "crèches" commonly known as day care centres in France. Therefore when we have special problems in our area, we do not only seek information from our English-speaking compatriots. Whenever it is beneficial to enable French Canadians to evolve in accordance with their own traditions, their own values and way of thought, we add to this information some observations from France.

I have said that I would not take up your time. But I think that I could go on indefinitely. However, I shall attempt to answer your questions, if you wish.

[Text]

The Chairman: Thank you very much. I think Senator McElman is going to begin the questioning, Mr. Hodgkinson. If you wish to direct a question to either of your editors, or Mr. McEachern, please do so by all means.

Senator McElman: Mr. Chairman, I would like to direct the first question to both Mrs. Anderson and Madame Saint-Martin.

Your magazines deal to a large extent with the problems of women in our nation, and there has recently been a good bit of foofarah about the problem of ladies in your profession not being able to obtain membership in the National Press Gallery.

Would you regard this as a down-grading by the male of the lady journalists?

The Chairman: A one-word answer will do.

Mrs. Anderson: I think they are being very foolish. I think they will have to let women in. I think from a financial point of view it would be something. No press club I have ever known ever has enough money. I don't think women are such a threat to them.

[Translation]

Mrs. Saint-Martin: For my part, I feel that it is absolutely unacceptable. It is an outmoded masculine idea which has absolutely no justification, whether professional or other.

[Text]

Senator McElman: Would you think this is something that Mr. Diefenbaker—and no one can accuse him at this point of seeking political advantage—did he receive some editorial support in the rather significant statement he has made recently, and the action he has taken?

Mrs. Anderson: I don't think it is important enough topic to really bother.

Senator McElman: It doesn't get to you, as a lady journalist?

Mrs. Anderson: Not really. If I want to talk to male journalists, usually I can. If there was a press club I could belong to, I might, or might not belong to it, whether it was male or co-educational. It is not important. I am really not going to concern myself very much with it at all.

Senator McElman: Do you feel ladies in journalism today are being accorded salary and other amenities by talent alone equal to that of the male?

Mrs. Anderson: I would have to have access to salary schedules, and I haven't, so it makes it very difficult to answer that question.

[Translation]

Mrs. Saint-Martin: However, personally, after conversations with colleagues in Quebec, I feel that generally speaking we are a union organization which has imposed wage parity. Generally, the salaries of female journalists are less than those of men and I might add that discrimination very definitely does exist with regard to promotion in the field of journalism. Nevertheless, the situation is changing although it is very clear that women, who are now doing general reporting but, who are specialized in technical areas, often are not given the same promotion opportunities within press organizations as men.

[Text]

Senator McElman: You feel there has been quite extensive improvement in recent years in this regard, do you?

[Translation]

Mrs. Saint-Martin: In Quebec, I would not say "extensive".

[Text]

There has been some change. When I started my own career at *La Presse* women were simply not accepted in other fields than the women's pages: There are women editorialists

at *La Presse*, and they are efficient. The present lot of women reporters have proven quite able to work in the field, but this is not an extensive progress yet, just the barriers are broken.

Mrs. Anderson: On the Status of Women Commission, the Women's Press Club made a very extensive report on this, and I think in that they proved that women were not being paid equal salaries with men, but I don't know what the figures are.

I was also told, after this report was presented to the Status of Women Commission, several women in Toronto had their salaries raised. Again, that is just hearsay.

Senator McElman: It would be the normal thing. Mr. Hodgkinson, I don't recall ever having seen liquor advertising, at least not in recent times, in *Chatelaine*.

Is this a conscious policy?

Mr. Hodgkinson: No. We changed our policy about five or six years ago. We previously did not carry alcoholic beverage advertising of any kind. We thought it was a little hypocritical as we feature wines in our food spreads and so on, and in our recipes, and we believe wine has a very gracious place in family living. We opened the classification first to the wine classification.

We have carried a few advertisements on this, and we have had no complaints from our readers. About three years ago, we extended that, and opened the classification to "hard liquors", whiskies and so on. We have carried a few advertisements on the subject. We are very careful in that we want their copy to be a certain type of copy. We don't want to sell booze for booze sake. We want them to be showing alcoholic beverages as discriminating and tasteful beverage in normal life. We have had no complaints from our readers on accepting that, either.

We don't aggressively go and sell this type of advertising. We do accept it, if it is suggested to us, and if the copy conforms with the standard we lay down for them. We have turned several programs down we didn't feel suited to our particular market.

Senator McElman: You would feel that you would need an entirely different approach to the advertising of liquor than, for instance, *Maclean's*?

Mr. Hodgkinson: Not entirely. As a matter of fact I think as a result of many of our discussions with the alcoholic beverage people

they have changed the copy approaches to some degree.

For instance, you will see the Hiram Walker advertising showing a food setting completely, and subordinating the product into a gracious living atmosphere. So this type of program will run in general magazines, and that type is suitable for our magazine too.

Senator McElman: Perhaps you are having a good influence on them.

Mr. Hodgkinson: I think we are. We have tried to approach it in an intelligent way, without being hypocritical. To exclude it is against our policy because I don't think this is our own personal position.

Senator McElman: Our research data suggests that *Chatelaine* is read by more fifteen to twenty year olds, than is *Miss Chatelaine*. I believe the order of percentages is something around thirty-five percent of that age group for *Chatelaine* and twenty-three to twenty-four percent for *Miss Chatelaine*.

Is this a duplication, and if so why do you publish the two?

Mr. Hodgkinson: I think there is some duplication. In the first place I think it is quite natural that *Chatelaine* would have more readers of that age than *Miss Chatelaine*, because *Chatelaine* publishes in the English language edition a million copies an issue, whereas *Miss Chatelaine* publishes one hundred and fifty thousand copies per issue, and it is going into that many more homes.

There would be some duplication because when we introduced *Miss Chatelaine* we introduced it in a very unusual way. We introduced it first as a section inside of *Chatelaine*, and then took the section out of *Chatelaine* and introduced it on the front cover of *Chatelaine* on the news stand copies only, in a piggy-back technique.

When it became identified on its own merit we spun it off the front cover, and sold it on its own. Now it is entirely on its own. So there would be some duplication. I think the important factor in the manner in which *Miss Chatelaine* communicates with the young person and the manner in which *Chatelaine* communicates with the young person which is entirely different.

The whole atmosphere of *Miss Chatelaine* is for the teenage girl, and others are trespassing. This is her product. In the other case, in

the case of *Chatelaine* it is a general age magazine for women, so no one is trespassing as long as they are women. If you are reading it you are trespassing, but not as long as women are reading it.

Young people respond very, very aggressively to something which is theirs. You send a piece of mail to a young person and how many pieces do they get? When I open my mail at my own home—I have two boys and if there is a letter to one of my sons once in two months, that is it. I get about fifty thousand pieces every week. He is exhilarated to get this. This is his. Somebody finally recognized me as a person. It is not my mother's magazine, or my father's, but my magazine. I think that is the big difference. It is the method of communication.

Senator McElman: Do you ever reduce the combined rate for advertising in the two?

Mr. Hodgkinson: No.

Senator McElman: They are straight rates.

Mr. Hodgkinson: Yes. Costed on their own, sold on their own.

The Chairman: Senator Kinnear.

Senator Kinnear: Did you get the idea for *Miss Chatelaine* from *Seventeen*?

Mr. Hodgkinson: Yes. I would like to expand on that a little. There have been a lot of comments at the hearings here, regarding Senator O'Leary's report, and I think it is a fair statement to say that if Senator O'Leary's report had not been made, and there had not been subsequent action by the government there would be no *Miss Chatelaine*.

The fact that a magazine like *Seventeen* was not allowed to come to this country and sell advertising into its Canadian copies, permitted us an opportunity to develop a magazine, and a damn good magazine, for girls. Every bit as good as *Seventeen*; in fact far better than *Seventeen* for this market.

The Chairman: Was *Seventeen* getting ready to come into the market with a Canadian issue?

Mr. Hodgkinson: Yes, they certainly were.

The Chairman: You know that for a fact?

Mr. Hodgkinson: Yes. The section we started in our magazine was encouraged to me by the garment manufacturers, who are going to run sections in *Seventeen*.

Mr. Fortier: Supplementary?

The Chairman: Yes, Mr. Fortier.

[Translation]

Mr. Fortier: Mrs. Saint-Martin, has there been any need felt on the Quebec market to publish *Miss Chatelaine* in French?

Mrs. Saint-Martin: This is something we have considered as the development of secondary education has made the milieu of Quebec youth much more similar to the milieu of English Canadian youth—a situation which surely did not exist five or six years ago. From the publishing standpoint, I believe that this would meet a need on the part of young girls in Quebec. But there are other aspects to the problem here.

Mr. Fortier: Have you made any recommendations to this effect to your parent company in Toronto?

Mrs. Saint-Martin: It is a plan which has very often been suggested and is being discussed.

[Text]

Senator McElman: It was indicated your publication *La Revue Moderne* is not very profitable; as a matter of fact might be something other than profitable. Why do you publish it? Is it their wish to be national?

Mr. Hodgkinson: I think there are several reasons to this. I think the very broad spectrum of it—remember this magazine was started in 1960 and at that time *The Ladies Home Journal* and *McCalls Magazine* in the English language had circulations in excess of 300,000 copies per issue in Canada. There was no guarantee that *The Ladies Home Journal* and *McCalls* would not come into Canada with Canadian editions, if we had not reorganized the *Chatelaine* English language edition where it absorbed the unexpired subscriptions of *The Canadian Home Journal* in order to put *Chatelaine* in a stronger position, vis-à-vis any United States magazine contemplating this sort of idea.

To expand that further, we said that if we went into French Canada—and this is the business side of things—if we went into French Canada and established a comparable magazine in French Canada, we would make it damned difficult for *McCalls* or *Ladies Home Journal* to come into this country, because they would not only have to publish a very large circulation English language magazine, but also publish a French language magazine.

That was the selfish motive. There was a second motive, which I think was really more important. French Canada historically had not had strong magazines. It has been a newspaper and broadcast province. We felt that we had the capability of providing for the French language people and opportunity to establish a magazine of a North American standard for them to communicate with themselves. Really this was the key to it. We felt, if they are going to develop at the rate—and incidentally 1960 was the beginning of the Quiet Revolution down there, and I was perhaps a little more closely aligned with it than some others.

I had lived there and I was married to a French-speaking Canadian girl, and I was pretty well tuned into this thing.

I felt in making the recommendation to our company to get into this, that we would be serving the country very well, and serving the people of the Province of Quebec very well, and that has proven to be so. We have had a fine magazine.

Madame Saint-Martin was the original editor of this magazine, and we have helped the journalists of that province get a forum for their material, and I think we have played a very, very significant role in bringing women into a great many more areas of interest than would have been the case otherwise.

Incidentally, this is an ad lib—I was told not to ad lib, but I will—because I think the tying together of this country is a very important thing, and I think women are the ones who are going to make that most positive role. I don't hear many women saying they don't care if the country is Canadian or not. They are not involved in business, they are not working for U.S. organizations, or British, or anybody else. They are in a family environment, in their home, and they happen to be Canadian.

I think a very important factor in any of these proceedings is to consider that the heart and soul of the nationalism of this country really rests in the minds of women.

Senator McElman: Much more than economics. Do you feel your Group would be prepared to continue in even a minor loss position for those two purposes, for these two reasons?

Mr. Hodgkinson: My job at Maclean-Hunter is to try and publish the women's magazines as effectively as I possibly can. It is also to keep our company sold on the need to

produce magazines. I cannot speak for the long-term aspects of this. I would certainly, with all my heart and vigor, try to persuade our company to continue them despite any adverse economics.

Senator McElman: I note that in 1968 *La Revue Moderne* had approximately forty editorial pages on the average, with ten editorial staff, and *Chatelaine* had on the average forty-nine to fifty editorial pages, and twenty-one editorial staff.

What does this indicate?

Mr. Hodgkinson: The major difference in this, is that in the one area in which we have a great deal of common editorial—and it has been economic more than any other reason—has been in the service areas of our magazines. In Toronto we have the *Chatelaine* Institute, which prepares all our food articles. Now it is just a matter of straight economics that a picture of a food setting looks the same in English, or in French. The recipes can be altered. In the service department we have built up a much larger staff in Toronto than we have had in Montreal for the French magazine.

Another thing is, we run some services which we don't handle at all in the French language magazines—areas of patterns and crafts, which is two people—one and a half, as one is only on part-time now. We don't run that type of service feature in the French language magazines. It is just because of economics, really. We hope some day to be able to have the same departments.

First and foremost, we thought the key was getting a forum for expression of their ideas and hopes and aspirations, and the service department in that sense are subordinated to the others. Then we have had to make economies, you have got the figures. We have done what we could to the capability of our resources. Again I think we turn out a wonderful magazine. To some degree it presents hardships to Madame Saint-Martin, but we understand, and I say, "we" collectively, we understand the difficulties in putting a strong magazine in French Canada and so we put up with the hardships and hope to continue to improve them.

Senator McElman: Is there any large measure of conversion of the stories from the English language edition to the French language?

Mr. Hodgkinson: There is a very real effort made to utilize the research material

and the base subject material from quite a number of stories in the French language. They will expand the research to their particular milieu, and they will develop it perhaps a little differently, a little further. There is a very real effort, yes; and quite a few articles that appear in the English language magazine where a similar type article appears in the French language edition.

In the service areas there is a more substantial common editorial for the reasons I have mentioned, and also articles in the English language magazine that originate from the French language magazine. Not as many as we would like to see, but there is a different level of development in the market, or audiences, and there is not much point talking to people in English Canada about an educational article that appears in the French language magazine because they are at a different stage in their development educationally from the standpoint of the systems and the problems. It is difficult in those types of articles but we do have, I think, a very real co-operation between the editors in the development of material.

They discuss this long in advance of the article being completed. It is a programme sort of thing on a continuing basis.

The Chairman: Senator Quart, you have a supplementary question?

Senator Quart: Yes. Regarding handicrafts, I think particularly in the Province of Quebec that French Canadian women are probably more interested in some of these handicrafts than in the other provinces.

Mr. Hodgkinson: There is no question.

Senator Quart: I am sure Madame Saint-Martin would be very happy, you know, if you did add that service. Try it out.

Mr. Hodgkinson: I would be very happy. It is the cost factor.

Senator Quart: Yes, I realize that.

Mr. Hodgkinson: We are up to here right now in our costs. When we can afford it we will do it. I think the handicrafts in French speaking Canada are the best in the world.

Senator Quart: I do too. I think they are marvelous. I am not French, but I understand and appreciate my French Canadian citizens, and fully appreciate what you have said in your ad lib. My ad lib at the moment is out of line with the questioning.

Maybe you would find you would increase your membership in your magazine, if you did have that. I think that type of article would appeal especially to the type of readers you have.

Mr. Hodgkinson: Do you think it would appeal to the young?

Senator Quart: Yes, I do. I am just going back to the family, my own family. I have twenty-three grandchildren, and quite a number of them are girls. I think there is a resurgence, let's say, of interest in handicrafts and dressmaking and all this type of thing in Quebec just now, more than before.

Mr. Hodgkinson: I think if I could just speak very briefly on that subject. It is not that we don't treat handicrafts in our editorial. We don't develop our own handicrafts. In the English language magazine we have a crafts editor, who actually develops original handicrafts herself, and then we produce this in the magazine, and sell to our reader a kit so she can make this handicraft herself.

That is where it takes people. To produce information regarding handicrafts, we do this upon occasion, but your point is very well taken.

Senator Quart: I am perfectly sure that Cercle des Fermières would go along with it too.

Madame Saint-Martin: This is quite true. Certainly a lot of projects of this sort we would like to realize eventually. Naturally we have been hearing about the facts of life here, and it is a fact of life that our circulation is a little less than one-third of the English, and we cannot have the same editorial budget. That is not to be pessimistic; on the contrary, I think the situation is developing, and I am very confident that pretty soon we will be able to realize all these projects we feel also are important.

Senator Quart: It is just a thought I had.

The Chairman: Senator McElman?

Senator McElman: Mrs. Anderson, correct me if I'm wrong, I gained the impression that *Chatelaine* does not deal very extensively with outdoor activity of the family or the mother. Is this correct?

Mrs. Anderson: What do you mean... sports?

Senator McElman: Sports, winter activity.

Mrs. Anderson: No, that is not true, I don't think. We ran a series of articles on What Every Woman Should Know About Baseball; What Every Woman Should Know About Football; What Every Woman Should Know About Hockey; What Every Woman Should Know About Golf; so that she would be able to talk intelligently to her husband on the subjects. We ran articles on where you can get the best deals on ski facilities for families, and I think we pretty well cover all subjects of interest, that would be of interest to families, and that is one of them, of course.

We range far more broadly than that. We ran articles on off-beat activities that families can take part in, like rock collecting; many, many articles on camping, the best camping sites.

The Chairman: Do you have a supplementary question, Mr. Fortier?

Mr. Fortier: Yes. I have seen figures somewhere to the effect that one sport which is most patronized by women is wrestling—from a spectators point of view.

Mrs. Anderson: We haven't covered that. I think we will let them figure that one out for themselves!

Senator McElman: What I had in mind, other than wrestling, is there seems to be a tremendous trend in the last few years in Canada, certainly in my part of Canada, the Maritimes, that cottages are no longer cottages; they are no longer summer cottages, let us put it that way. They have become year-round as a centre of family activity.

I personally regard it as a tremendous development. Families, instead of hibernating into the house in the winter in front of the "idiot box" are getting out as families—through the ski-doo largely. I haven't seen anything trending this way in your magazine. Am I wrong again?

Mrs. Anderson: Well, I don't know how many articles we have run on camping. There are certainly families that can afford to have a winterized home, but that is fairly expensive. I think that our audience, which is a very broad one, is more likely to have a tent, or to buy a camper. Anyway, I think this is even a better activity for them. They get around the country and they see the rest of Canada.

My own family, my husband and three sons, go down to Prince Edward Island every

summer to a cottage, but I don't really know whether this is such a general thing.

What you are saying is we should say everyone should have a winterized cottage? I think that would be great, but, I am not too sure they could afford it.

Senator McElman: For a large part they are not winterized at all. However, this is getting aside from the main point.

Mr. Hodgkinson: In the April issue we have a story on women in unusual sporting activities. One is a parachutist, another a speed driver, and so on. We feature people like Nancy Greene and so on, and certainly the accomplishments of Betsy Clifford are tremendous. I think we get at it through the people who have done things along this line, rather than specific articles on the fact when it is available.

Senator Smith: Many I suggest, Mr. Chairman, that March is a bad month to do things outdoors. The table of contents I have read suggests a lot more interesting things indoors.

Mr. Fortier: There are.

Senator McElman: If you are young, they are just as interesting outdoors. Mr. Hodgkinson, do you, as a continuing practice, advertise your magazine in the other media? I have noted numerous comments about competition from the other media. Let's look at the electronic; do you in radio do promotional advertising of *Chatelaine*?

Mr. Hodgkinson: We have tried in radio, but it doesn't work very effectively for us. In French Canada I believe we are still using some radio, and it is working effectively there. Most of our promotion in the broadcast area is on a contra-account basis with the C.B.C.

We have a very extensive program in the major cities across the country. We don't do it in every city, but use seven major cities. It is a very substantial programme.

The Chairman: With the C.B.C.?

Mr. Hodgkinson: Yes.

The Chairman: What do you give the C.B.C. in return?

Mr. Hodgkinson: They run an equivalent amount in our magazine to promote their programs.

Senator Hays: I live in a house where I am the only male, and we have quite a few females. We are fortunate to have three bathrooms, and there is a *Chatelaine* in each one, like to old Eaton's Catalogue, so occasionally I get the opportunity to go through some of the *Chatelaines*.

The Prime Minister at Harrison Hot Springs made what I thought was a very significant statement as to the future of Canada, and some of the things we should be thinking about, which was quietly either ignored or criticized and so on.

You spoke quite a bit about the amount of space you do give in the paper to pollution, abortion, studies on women. You had a great deal about birth control in it, because I have read it. Why haven't you done some stories about selective breeding in people? It is a very important thing.

Mrs. Anderson: We have.

Senator Hays: It seems to me this is one of the great problems we have.

Mrs. Anderson: We ran an article about five years ago by Dr. Muller, the great geneticist, at the University of Wisconsin. The theme of the article was we were breeding ourselves out of existence. It was not a very popular article, I can tell you.

Senator Hays: None of these things are popular in the beginning. It seems to me men are not going to do this in their sort of magazines, because the males are pretty egotistic, but I think that a woman has the right to choose the sire of her child who may be entirely different from her lover.

Mrs. Anderson: I think women in general do choose the sire of their child.

Senator Hays: On what basis?

Mrs. Anderson: I think it is a wild myth that men decide who they are going to marry. I think women really decide who they are going to marry.

Senator Hays: Do you think they look upon them and say, "I am going to have an athlete or singer", or any of this sort of thing, "or an editor of a newspaper or a publisher?"

Mrs. Anderson: Well, if you can narrow it down that closely, you know,—I think it may be an interesting thing to think about, but I don't think science has accomplished this yet.

Senator Hays: Indeed we have. In the livestock world we would be all starving if we hadn't done it. I have a thousand head of cattle on my farm, and I haven't had a crazy calf in ten years, and I am pretty pleased about that.

Mr. Fortier: Tell us about the girls in your house now!

Senator Hays: You talk about everything else, and I think this is the place, I think it is coming.

Mrs. Anderson: Would you like to write an article for us? I would be very happy to print it... *We Should Have Selective Breeding in Human Beings*, by Senator Hays.

Senator Hays: Well I have a hard time speaking English.

Mrs. Anderson: I will provide you with a writer.

Senator Hays: I think it is important, I really do. Today you can have a pedigree to say that out of seven children you may have a hare-lipped child. It says in the first chapter of the Bible, that like begets like; what you see you get in return.

I think when the Prime Minister mentioned this he was talking over the heads of the people. I think it is much closer than 50 years.

Mrs. Anderson: I think it is very interesting.

The Chairman: Senator...

Senator Hays: You don't give me much time.

The Chairman: Sometimes it seems to me you stray from the focal point of the Committee.

Senator Hays: No, I am through. I wonder why we don't do this. I am quite concerned about this. We do it in everything else whether it is a rose or a tulip or a grain of wheat.

The Chairman: Or a Senator, Mme Saint-Martin says.

I would suggest that Mrs. Anderson may have been serious when she suggested you write something. Were you?

Mrs. Anderson: Certainly. Absolutely serious.

The Chairman: I would like to put a question to you. Mr. McEachern told us, he made an opening remark comparing the circulation

of Canadian magazines to American and pointed out that by American standards Canadian magazines sell phenomenally well. We also know that by Canadian media standards that *Chatelaine* sells quite well indeed. I think the point was made that more than 50 percent of the women of Canada read *Chatelaine*. I think by the standards of any publications of any kind which has come before this Committee, I cannot recall any other publications thus far at least—and I stand to be corrected—that has been able to make a claim even approaching this.

Now the question I put to you, and I don't want you to give away trade secrets, what is the formula for this incredible success?

Mrs. Anderson: I don't think there are any trade secrets.

Mr. McEachern: Two very good editors. That is it.

The Chairman: Two magazines in the United States that I would compare are *The Ladies Home Journal* and *McCalls*, and yet by any standard *Chatelaine* is more successful than either of them.

Mr. Hodgkinson: It has been very interesting that up until about two months ago *The Ladies Home Journal* and *McCalls* were both edited by men. They have to be pretty smart men. They just cannot orient with the subject material in a ladies' magazine in the same way as a woman will in a woman's magazine. I think as Mr. McEachern pointed out we have had two very capable editors.

The Chairman: I agree. When I was putting the question to Mrs. Anderson I included certainly the French magazine in the same kind of approach, the same kind of domination. So let us concede Mr. McEachern's and Mr. Hodgkinson's point—two smart editors.

Is there a formula? Is there a secret? For example, could you do the same thing for a general interest magazine, *Madame Saint-Martin*?

Mrs. Saint-Martin: I think so.

Mr. Fortier: In view of this comment of Mr. McEachern's praise, Mrs. Anderson, back in 1969, not so long ago, September, 1969, Mr. McEachern asked you to examine *Maclean's* and spell out what was needed. Did you report? Did you carry out that study?

Mrs. Anderson: Yes, I did.

Mr. Fortier: Did you report?

Mrs. Anderson: Yes.

Mr. Fortier: What did you tell them was needed at *Macleans*?

Mrs. Anderson: Well, I think that would take a couple of hours to go into.

Mr. Fortier: Could you give us a resume.

Mrs. Anderson: I don't think it has got anything to do with this Committee, and I am not saying the answers were even possibly near to being correct, but at least they were my point of view.

Mr. Fortier: Was one of your suggestions the introduction of a woman editor?

Mrs. Anderson: No.

The Chairman: If the witness does not want to discuss what was presumably in a confidential memorandum, or a private memorandum, I don't think she should be asked; nor was that incidentally where my question was leading.

You said you could do the same thing for a general interest magazine. Could you go to New York and do the same thing for *McCalls* or *The Ladies Home Journal*?

Mrs. Saint-Martin: I don't think I could. I think it is my knowledge of my own milieu, of its evolution of the women there, of the sensibility of the people there. I feel I can talk to them of things that really interest them, and from this point of view I would have to be born in another milieu to be able to do so.

Mrs. Anderson: I think it would be harder. I think the fact that I was born in Canada and married a Maritimer, and know the country very well makes it very much easier for me to operate here. I think although there is a much closer relationship between the U.S. women's magazines and the Canadian women's magazines in English, I don't think that it would be easy.

The Chairman: I assume you differ with something Mr. Gzowski said here. He said he thinks the day of the personalized monthly magazine editorial has disappeared. Now you write each month in *Chatelaine* a very forthright article which I read every month, and you take some fairly strong positions.

Do you disagree with his suggestion this morning?

Mrs. Anderson: I think every editor has to edit a magazine the way he sees it. I find the editorial, the personalized editorial form, a very useful device for covering sharp controversial issues very quickly, and I would hate to give it up. I cannot see that I am going to give it up. I can't see that I am going to run out of topics, or that the country is going to have all its problems beautifully solved that I am going to have nothing to say.

The Chairman: In your oral statement you talked about big dramatic changes—your words which I have written down—which are beginning to take place in Canada, and as far as acceptance by women, *Chatelaine* has at least partially paved the way.

I wrote down to ask you for some examples, but you gave a number of examples. You talked about divorce laws and abortion and so on.

What are the things which concern you now in this area of big dramatic changes? What will you be editorializing upon in the foreseeable future?

Mrs. Anderson: I wish I had a crystal ball, but I can see a few of them. I think in the 1970s there are going to be many more women very much more actively and equally taking a place in society. We have had a sort of tokenism of women, token women on the Board, we have one woman sitting in our House of Commons. I think women, especially young women, are getting very determined that they are going to take a much more active and effective and less sort of token position in society in the future.

The Chairman: What is the Women's Liberation Movement?

Mrs. Anderson: You don't know?

The Chairman: I have an idea, but I want you to tell me.

Mrs. Anderson: Well, it is not just—that is one title for one particular group. In the United States I think there is something like ten and in Canada there are three. One of the problems women have is they cannot agree too closely on things, and tend to splinter up into all kinds of little groups. Basically all three groups are concerned about getting more representation of women in Parliament, in public bodies, and that women's voices are going to be heard and that women's opinions are going to be listened to, and women are

going to have a much more equal chance at jobs, in business, in politics.

The Chairman: This is the thing you have been talking about and that is the direction in which you hope to lead your readership?

Mrs. Anderson: I don't know whether my readership all want to go in that direction. A substantial number do, so I think my position is to represent that, as well as the woman who is quite content to be a traditional homemaker.

The Chairman: Madame Saint-Martin, would you care to comment?

Mrs. Saint-Martin: On the question of the editorial itself in each issue, I also disagree with what Mr. Gzowski was saying. I feel in a general way the magazine—every free-lance person working for us tries to present the questions objectively, and most of the time they go to see different people, different opinions. Usually we give to the reader some kind of background information on problems so they can form their own opinion, but I think the individual editor on its own basis in the magazine can propose some kind of synthesis on all this divergent opinion given on those things.

We don't have enough people talking. I don't mean it is very important what I say, but I think there should be more people taking positions and expressing their views as rationally as possible, making a point, instead of keeping from taking any stands. The magazine itself cannot take stands. That is not the formula on which we work. For this reason, I think the editorial still has an important purpose, and the readers disagree, or agree, and discuss it. It is an individual who is writing. This person says such a thing for such and such a reason.

The Chairman: Mr. Fortier, do you have a question?

[Translation]

Mr. Fortier: An additional question. You state that it is an individual who is speaking through an editorial. I note that you sign your editorials...

In the French Canadian newspaper, the writer of the editorial signs it. Can you tell us, Mrs. Saint-Martin, whether you see any advantages to the editorial's being signed?

Mrs. Saint-Martin: Tremendous advantages. Under the cloak of anonymity, it is too simple. It is too easy to deal in generalities

and even contradict oneself at six-month intervals. An editorialist is part of a group of four or five who give their opinions on a problem, but the situation evolves; there is something else to be added, or the position may be changed and the editorialist may encourage a lively dialogue with his readers. I find it extremely important that everyone knows who is speaking, what his past is, what position he took before. It is the only way to establish a lively dialogue between the publication and the public.

Mr. Fortier: How do you explain the fact that in English Canada, England and even the United States, editorials are not signed?

Mrs. Saint-Martin: I confess that I cannot explain it. I do not understand it because, in my opinion, I feel it has an additional advantage. When articles are signed, the publication concerned can even publish articles contrary to the position of the editor in chief or editor, thus providing varying viewpoints. I can see only advantages to a signature.

[Text]

Mr. Fortier: Mrs. Anderson also signed her own editorials. I am sure you know in English newspapers there are no editorials that I know of in Canada which are signed; whereas in the French...

Mrs. Anderson, would you care to comment?

Mrs. Anderson: Why editorials are not signed in the English press? First of all, there are often half a dozen people writing them. I think if you sign something it is certainly an opinionated thing, it is very definitely your own opinion. I think in daily newspapers today the trend is much more to subjective journalism, and signed articles, and a definite point of view.

Mr. Fortier: In-depth articles?

Mrs. Anderson: Yes, throughout the whole paper. I think the editorial page of any newspaper in my opinion, tends to reflect the editorial position of the paper and the publisher, and this is the reason it is not signed.

I think in a magazine it is a different situation, there is one editor.

Mr. Fortier: You do make a distinction?

Mrs. Anderson: Yes. I have had people phone me up and say, "Are you Doris Anderson?" and when I say I am, they say, "I am cancelling my subscription because of what

you said in your last editorial" and I don't mind at all.

The Chairman: Do you mind, Mr. Hodgkinson

Mr. Hodgkinson: Not a bit.

Mr. Fortier: We know that Senator Davey and Senator Hays read *Chatelaine*. Have you ever conducted a study to ascertain what percentage of your readers were males?

Mrs. Anderson: I regret to say, no. I would like very much to know. One time we used to run a contest for the best family favourite recipes, and one year a man won, so there is no discrimination against males in *Chatelaine*, you can't say that if a man won the recipe contest.

Mr. Hodgkinson: We haven't conducted studies ourselves. The Magazine Advertising Bureau conducts an industry study, which shows the male and female readership of publications, so we have an idea of how many men read the publication through that particular study, and it is a surprisingly large number. Somewhere around eight or nine hundred thousand men read *Chatelaine*.

I think the same thing is true as the comment I made regarding *Miss Chatelaine*. They don't read it in the same way that women will; they don't read it for the same purposes. One of the areas they may read in *Chatelaine* is the major home features. We perhaps have done more...

The Chairman: Excuse me. Do you mean eight hundred or nine hundred thousand men read *Chatelaine*?

Mr. Hodgkinson: Yes.

The Chairman: And the total circulation is?

Mr. Hodgkinson: We have point seven male readers per copy. We have between the two magazines one million two hundred and fifty thousand copies, so if you multiply that out, I think it comes somewhere in that area. We don't talk about it, because it is not a selling factor as far as we are concerned.

I think, for instance, on our model home promotion, which normally is running in the September issue, and where we physically have a home designed for us, and physically have homes constructed in various areas throughout the country, now in this type of feature I think men are very significantly interested. We have homes open to the public,

and get anywhere from fifty to one hundred and fifty thousand people going through them. We have had them in virtually every city in the country. Bob Campeau and Minto has built them here. I think that type of feature—men will pick up the magazine while they are in the washroom because their wife has left it there, and glance through it and become interested in that type of feature.

Mr. Fortier: My question, Mrs. Anderson and Madame Saint-Martin: do you take this very high percentage of male readers into consideration when you put together a magazine, an issue, or do you dismiss that silent minority?

Mrs. Anderson: I think the answer to that is very simple, that I don't think there is any great divide between male and female readers today. I think in the days of Edward Bok and Ladies' Goady's books, there was a female type of magazine and a definitely male type of magazine. I think today that women are interested in a very broad spectrum of subjects, and many of the subjects we run in *Chatelaine* could, I think, just as easily run in *Macleans*, or any other general interest magazine. They are not specially slanted to women.

I am delighted to know we have so many male readers. I had no idea we did. I will certainly hold it clearly in my mind.

Senator Hays: How else are they going to learn about women, if they don't read *Chatelaine*?

The Chairman: Madame Saint-Martin, would you like to comment on that?

Madame Saint-Martin: If each copy was read by one man it is a lot of men in Quebec. I don't think this influences us at all on the programming of the magazine. Every time we talk to women, or expose something to women, we know we are talking to her, but there is another voice in the house and society which is men, and how men see things, and how men react to situations.

Every time we discuss family problems or psychology or the evolution of women, we have to think about men and what is the position of men in our society towards everything we are talking about. That may be the way we are answering to some objections. We discuss them in articles. That may be why men are interested. From what I hear, the woman reads the magazine and she takes the magazine to him and says, "You have to read

this article on psychology of women. I must talk about it." She wants him to know about it.

The Chairman: Senator Quart agrees with you.

Senator Quart: One hundred percent. While I have the floor, you will probably be very happy to know that when the austerity program struck the Senate Reading Room—I don't know who was responsible...

Senator Smith: I was. Committee expansion was the factor involved.

Senator Quart: Anyway, when so many of the publications were cancelled, subscriptions were cancelled, we were very happy to learn that *Chatelaine* had been left.

Senator Smith: Certainly. We left the choice magazines, also *Macleans*.

The Chairman: Senator Kinnear?

Senator Kinnear: Mr. Chairman, I noticed when Mrs. Anderson was going over some things they had been writing about, she covered so many of the subjects we have had great interest in, in the past ten years, and you mentioned pollution at the top, which you started quite a long time ago. I would like you very much to keep at it until the Great Lakes Basin is cleared up. And that is a very serious statement I am making.

I was going to talk on environmental quality, but so many things have been said today on articles that you have been writing it made me think of something you might do, and I hope you won't suggest I am trying to make some rules for your magazine.

I thought that laws pertaining to women and children would be a most interesting subject to write on occasionally pick a different topic each time. I know a great many women are asked to speak on these subjects and you have covered some of them; estate taxes, for instance, wills, nursing homes. Nursing homes have come under public scrutiny a great deal recently.

The Chairman: I think that Mrs. Anderson did speak about nursing homes in her opening comment.

Senator Kinnear: Yes, she did and I want to commend her for doing that, because it is very topical, all these things at the moment. I thought I might drop the idea if laws from time to time were discussed under a heading

pertaining to women and children it would be read very widely, I know in Ontario. I am across the country too, and I know that is very much the subject that is asked about.

The Chairman: Would you care to comment on that?

Mrs. Anderson: We have touched on this in various ways. We did run a whole section "The Law and You" written by Robert Fulford some years ago, he is now the editor of *Saturday Night*. We touch on it all the time when it is a topic, for example, that concerns women; the Family Court for example, divorce laws, and all other topics.

We have not tied it all together in quite the way you are suggesting. I will keep that in mind.

Senator Kinnear: I would take them separately because women are anxious to know. I have another point that you could educate us in, is our household duties and public relations. For instance, a great many people don't know how to write cheques and they are puzzled when they are suddenly confronted with the fact they must run a household; not only older people who suddenly realize they no longer have a husband, either through death or being left without one, and they don't know how to carry on. It is quite a serious matter. They don't know how to pay the public utilities. They are always behind, and they say, "This is lovely. My husband will do this. I don't have to think about it." Suddenly they have no husband and there is a blank wall, and they don't know how to do anything. I think it would be great sometime if you could write these articles under separate headings, from time to time.

It surely is a fine magazine for women.

Mrs. Anderson: Thank you very much.

Senator Quart: Talking about that, and following along what Senator Kinnear said, there is a woman in Canada, Mrs. Chapman, who writes guidelines and sends you questionnaires. She is coming to Ontario, and she has been writing to me. May I suggest probably some type of articles that you could follow along, and I mean this seriously, although it may sound funny.

For instance, since so many men read your magazine in various places—I would like to tell you something a little later that maybe Senator Hays got the idea from a letter we got jointly—may I suggest it would not be a

bad idea to write something to alleviate some, at least, of the worry that men are having now, and seeing they read the magazine, about matriarchal rule. You could bring it up in such a way that it seems more obvious now, but between ourselves there always has been matriarchal rule in some sense or other.

Senator Prowse: You will never make it popular.

Senator Quart: You will be surprised.

Mr. Hodgkinson: I thought you were a friend of mine. You are trying to put me out of business. The day this magazine starts to direct its editorial to men will be the day there will no longer be a *Chatelaine* in Canada.

Senator Quart: You are quite right. I apologize for that thought.

The Chairman: We have another brief that we are going to receive in a few minutes, but may I put two questions to you? There are two comments in your brief I want to ask you about.

At the bottom of page 6, you say "This has virtually eliminated competition for advertising revenue among the magazines themselves."

Mr. Hodgkinson: That is a little strong.

The Chairman: Would you comment?

Mr. Hodgkinson: I read this myself and felt it was stronger than I intended it to be. There is not a great deal of time spent competitively selling one magazine against the other today. That is relatively new. The dollars that are available to magazines have been spelled out here on two or three different occasions—2.4 or 2.5 percent of the total national advertising dollars in all media in Canada. I perhaps don't see as much as some others. There are no women's magazines in Canada with which I am competing actually. I certainly will compete with *Time*, *Reader's Digest*, *Maclean's* or anybody else for the advertising dollar out there, because if they get it, I may not. There is competition in that way. The big competition is really in this whole area. I am thinking of my field, which is dealing with package goods, toiletry products, household furnishings. You can look at the television any day in the week and you will see fifty, sixty, seventy advertising messages a day on these subjects. This is where my revenue goes and I have got to keep my eye on that ball, so when

I am talking magazines I am probably talking more on *Chatelaine* than I am the others.

The Chairman: We had a somewhat similar discussion last week with the business press. I don't know whether you were here as that time, or not, but over a dinner recess some of our research people got, I think, the last two or three issues of *Time* and pulled out of there at least eight, maybe more, advertisements. I went over them with Mr. Gilmour and said, "Would that be one of your business press advertisers?" Now the answer in each case was, "Yes".

Would it not be equally true to say that the current issue of *Time*, if you went over to the Chateau and bought one, would contain twenty-five, to strike a figure—advertisers who could perhaps use *Chatelaine*?

Mr. Hodgkinson: I don't think there would be one an issue. The only ones you consider that would be subject in product classification areas such as travel, yes, women travel. Liquors, alcohol or beverages—but I don't think we are necessarily the first medium for those products. The day that I see in *Time* magazine a great deal of advertising on foundation garments, or a great deal of advertising on food products that are mass produced food products, then I will think they are competing with me and I will go and whip them right up the back. I think I have a better market than they have, and then I am not doing my job.

The Chairman: I am sure each one of us will look at *Time* and *Chatelaine* and remember the conversation. I may be high, and I think you may be low.

Perhaps I will preface this by asking you a question which may seem unrelated, but as far as newspapers are concerned would you make any comment on the trend toward concentrated ownership in the daily newspapers in this country.

Mr. Hodgkinson: I haven't had any strong views on this. I feel much the same as Senator O'Leary said about them—that the people who own and operate publishing business are people and first of all have to be judged on that basis.

If running a series of newspapers and a chain of newspapers is anything like running a magazine the publisher could not be intimately involved with every editorial fea-

ture, or every editorial point of view put forth in these. He has too many other things to worry about. I cannot see if a person is a serious citizen of this country whether he has one or ten newspapers—I don't really think it is that important.

The Chairman: You are not concerned about it, in other words.

Mr. Hodgkinson: No.

The Chairman: You are being consistent. I was going to ask you about your statement on page 9: "I believe the circumstances dictate a greater concentration of magazines in larger corporate hands."

You believe, as you say here, that it would be in the interests of the people of Canada to have even greater concentration of magazines in larger corporate hands. Do you think that is in the public interest?

Mr. Hodgkinson: Of mass media, yes.

The Chairman: You say magazines.

Mr. Hodgkinson: I am writing in the context here that we are appearing before a Committee on Mass Media. I think it is highly improbable anybody would start a mass circulation magazine.

The Chairman: I am not asking about probability. I am asking about desirability.

Mr. Hodgkinson: All right. I think a person who has the facility and has the resources and has the expertise can do a better job in the mass vehicle than can somebody who is operating from a shoe string. The greatest frustration in this business is if you are competing out there in the marketplace, competing with a lot of excellent products.

The Chairman: Mr. Gzowski said this morning he estimated you would need \$450,000 to start a magazine.

Mr. Hodgkinson: It depends what circulation level he is aiming the magazine.

The Chairman: Do you think it would be desirable if someone with \$450,000 in this country started a new magazine?

Mr. Hodgkinson: Yes.

The Chairman: You do?

Mr. Hodgkinson: Yes, sir. I believe that circumstances dictate a greater concentration, mainly economic circumstances and expertise.

Everybody in this country thinks they can publish a magazine. Everybody has an opinion on publishing of magazines.

The Chairman: Just a moment. If everyone has an opinion, why are not more magazine started all the time? I don't see that many new magazines.

Mr. Hodgkinson: Because only about ten people really know how to publish them. Any time anyone gets into it they end up going bankrupt because they don't know how to publish magazines. I believe there is an expertise that is very important here in addition to money. Since I have been with Maclean-Hunter in the women's magazines we have started *Chatelaine* and *La Revue Moderne*, started *Miss Chatelaine* and tried *Hostess*. We were bombed out on *Hostess*, not because we didn't have the expertise, but we just didn't have enough money to do what circumstances said we would have to have. I think a magazine is a very personal thing to a lot of people, and they read it and they say, "I don't think that article should be there." And they automatically start becoming editors or publishers.

They think some day they would like to have a magazine. This is the way most are started. I hope that continues.

The Chairman: Would you prefer circumstances to be different?

Mr. Hodgkinson: I certainly would, but they are not.

The Chairman: Senator McElman?

Senator McElman: You do not circulate outside the country any appreciable part of your circulation?

Mr. Hodgkinson: No. We have a few thousand copies that go to people in the United States, usually people who have lived here and who have gone to live in the United States or England. Sometimes there is a gift subscription to someone in another country to let them know what is going on in this country.

Senator McElman: Have you tried to enter?

Mr. Hodgkinson: No.

Senator McElman: Why not?

Mr. Hodgkinson: Too expensive, too expensive to get circulation to begin with, and there is no value to us from a business standpoint. An advertiser is not interested in us

having 50,000 copies circulation of *Chatelaine* in England. His product is not interested in selling in England. The reverse is true in thinking of the United States and Canada. Maxwell House Coffee is sold in the United States and Maxwell House Coffee is sold in Canada. It is of interest to General Foods to see copies from the United States of their magazine flowing over here. Why not? It helps them.

The same is not true if you have the Canadian subsidiary paying for the advertising in *Chatelaine* and *Chatelaine* is flowing into the United States. They are just not interested in paying anything going that way. I would love to feel we could. I would like to see Canada promoted in those areas, but I am afraid that it is a job for someone with a lot more resources than Maclean-Hunter.

Senator McElman: To what extent do you farm out your subscription programme, that is to get new subscriptions?

Mr. Hodgkinson: Mr. Rungate spoke to this. He is the circulation director of *Chatelaine* as well as the whole Maclean-Hunter group, and the figures he gave you stand.

The Chairman: That was last week at the Maclean-Hunter presentation.

Senator McElman: I was present. It is quite all right, I will get it from the record.

The Chairman: It is in the transcript, I am sure.

Any other questions, Senator McElman?

Senator McElman: No.

The Chairman: Do any other Senators have questions? Mr. Fortier?

Mr. Fortier: Mrs. Anderson and Madame Saint-Martin, given the evolution of taste and the mores in Canada, as we have heard expounded before this Committee, what are your views on the possible use of four-letter words in *Chatelaine*?

Mr. McEachern: Like "love"!

Mrs. Anderson: I can't recall that we have used them. We have run nudes in *Chatelaine* and the magazine is still in business. I think we would get a substantial amount of mail. I don't think the mail would be enough to trouble us. It is not something we purposely go out of our way to do.

Mr. Fortier: You don't think in the foreseeable future there will be a need for the use of four-letter words in articles in your magazine?

Mrs. Anderson: I think if it is a natural part, say, of a fiction story that this particular character might use a four-letter word. I think we would look pretty foolish if we put four dots in place.

Mr. Fortier: Would you produce excerpts from *Portnoy's Complaint* in your magazine?

Mrs. Anderson: It is not the kind of book I think would be—that we would particularly go out of our way to get, and we would never be able to compete with the American book for a piece of it.

[Translation]

Mr. Fortier: Mrs. Saint-Martin, is the use of...

[Text]

Mrs. Saint-Martin: We don't have in French exactly the same problem of vocabulary. We have others. We have on this level the problem of joul, the French Canadian way of using bilingualism at any level, French and English.

This is certainly an important problem, an acute problem in Quebec for many years. Naturally for all articles and features and everything our criteria are International French. When we come to short stories and fiction pieces and naturally when we have some author like Marcel Dubé or Françoise Loranger, who are very well known and who have produced programmes on T.V. for years, and have plays in the theatre and are very popular and everything, we feel then these people have a right to their own style, their own ways of saying things.

Naturally we don't want them to be vulgar to an extreme degree, and they certainly are not.

In regard to the problem of French, which is very, very acute in the Province of Quebec, we have sometimes to recognize the fact that T.V., the authors, the novelists, the drama writers do use a lot of joul, and we cannot in our area isolate ourselves completely with the main influences on literature and writing in Quebec. Certainly we would allow it in this section or sometimes in interviews with some writers like Robert Charlebois. He has one way of talking that you just cannot translate in French. It is what he is, why he is popular, how he expresses himself even in Paris. We

try to tone down some expressions which are not essential, but on the whole there is a flavour to it which is definitely joulal.

Mr. Fortier: I was interested in noting in the M.A.B. 1970 Fact Book on Canadian consumer magazines that one hundred percent of your circulation was in the Province of Quebec, according to this little booklet here. Is this correct?

Mrs. Saint-Martin: I don't think this is correct.

Mr. Hodgkinson: It is not entirely correct, but the percentage outside is really very minimum.

Mr. Fortier: That was going to be my question: whether or not you sought to reach French Canadian readers in other provinces of Canada.

Mrs. Saint-Martin: Yes especially when the magazine was launched we tried to find methods to circulate the magazine outside Quebec. It seems the methods of distribution across Canada do not lend themselves very much to this possibility. I think Mr. Hodgkinson has more knowledge. I would like to see the magazine go all over the country to French speaking Canadians.

Mr. Fortier: *Chatelaine* goes to all ten provinces.

Mr. Hodgkinson: It is a matter of economics.

Mr. Fortier: Bilingualism is expensive.

Mr. Hodgkinson: It is not just that. There are no newsstand facilities to reach them—very few. In Toronto there are reportedly some seventy to one hundred thousand French speaking people in the city of Toronto, and we tried to find a newsstand—we don't know the names to begin with, and we got the copies back. You do that for a while, and you say, "Obviously we can't reach them that way," and finally you find yourself contracting.

We have done this in virtually every area across the country.

Mr. Fortier: What about New Brunswick, for example, where almost fifty percent of the population is French.

Mr. Hodgkinson: We do have a bit of circulation down there; I think around four or five thousand. We haven't made the same effort.

We felt first of all our content was essentially dealing with the evolution of the province itself, and our message was more direct to those people. We certainly will along the line. No reason why not. We are only ten years old and we have made pretty good strides in ten years.

The Chairman: Any questions, Senators?

We have another brief, Senators, which we are going to receive. If no one has any other questions I would like to ask Mr. Hodgkinson one final question.

When you made reference earlier to a comment which appealed to Senator Quart on national unity, you prefaced it by saying you had been told not to ad lib. I would like to make it clear it was not the Committee or its chairman who suggested that you should not ad lib.

Mr. Hodgkinson: I was told by my wife. She knows when I get going I never stop.

The Chairman: May I then thank you very much, Mr. Hodgkinson. I am sure I don't have to tell you that *Chatelaine* Group plays a most significant role in the overall structure of mass media in Canada, a role which will doubtless continue and hopefully expand. I think you should also be congratulated because through you we were able to give Mr. McEachern a relaxed afternoon.

I think it should be on the record that we are grateful to you for bringing two of the more charming witnesses we had, and I certainly don't refer to you and Mr. McEachern.

Mr. Hodgkinson: May I make one final statement?

One of the attributes to the quality of *Chatelaine* is demonstrated in this particular book I am going to give you. This book, *Chatelaine Adventures in Cooking*, was a manuscript developed by the staff of *Chatelaine*. The market in Canada was not sufficiently large that we could publish this book in this form, so we went to the United States and talked to the publishers in those very large circulation women's magazines in the United States. When they read the manuscript they found it so attractive they decided to publish over their name in the United States, upon which we get a royalty on every copy so we are taking the trend the other way around.

I think you and your family will find that very helpful.

The Chairman: Thank you very much. We will be about six minutes late starting with The Magazine Advertising Bureau. I will adjourn until a quarter to five, but I would like to start right at a quarter to five.

Again, thank you all.

Mr. Hodgkinson: Thank you very much.

BRIEF OF THE MAGAZINE ADVERTISING BUREAU OF CANADA, INC.

The Chairman: Honourable Senators, seated with me is the next witness, Mr. John Crosbie, President of The Magazine Advertising Bureau.

Mr. Crosbie, the brief which you prepared was received some three weeks in advance as requested. I know you have been here for several of the hearings, so I don't think I need to repeat all the things I usually say.

Will you proceed with your statement and following that statement we would like to question you on the statement and perhaps some other matters as well.

Mr. John Crosbie, President of The Magazine Advertising Bureau: Thank you very much, Mr. Chairman.

Honourable Senators, ladies and gentlemen, at the outset Mr. Chairman, I would ask you to recognize the following people who have been kind enough to come to this hearing today, as observers, and are now in your audience:

Mr. A. J. Conduit and Mr. Ken Davey, Vice-President of Reader's Digest Association (Canada) Limited. Regrettably our 1970 chairman, Mr. Zimmerman of *Reader's Digest* is (as you know) prevented by illness from being in Ottawa at this time.

We also have with us, Mr. William Nobleman, President of *Saturday Night*, and our 1970 Vice-Chairman.

Mr. Lloyd M. Hodgkinson, Publisher of *Chatelaine*, *Châteline*, and *Miss Chatelaine* (our 1969 chairman) from who you have just heard.

Mr. S. S. LaRue, Managing Director of Time International of Canada Limited (our 1968 chairman).

Mr. S. G. Brander, Publisher of *Macleans* and *le Magazine Maclean* (our 1966-67 chairman).

Mr. Gregoire Ewing, Director of Public Relations of *le Magazine Actualité*.

You have already received our concise summary of the purpose and activities of our organization. We made it short, not only out of compassion for you, who are confronted by a wealth of material, but also because the purpose of our organization is a specific one and, we think, easily explicable. We exist only to help Canada's consumer magazines sell more advertising space.

We do this by researching the relative values of Canadian advertising media—with particular emphasis, of course, on our own—and then presenting the results of that research to advertisers and advertising agencies.

I cannot emphasize too strongly, we do not get involved in other areas of interest common to our members. Therefore, there is not probably a great deal that we can add to the knowledge you already have or are gaining.

As an example of how we operate, you may be interested in the fact that we have just returned on Saturday from showing to business audiences in New York, Chicago, Los Angeles, San Francisco and Vancouver, a film which we have just prepared on Canada and Canadian magazines. This two-week tour is the third such annual event we have put on. I am pleased to report that the interest shown in the United States on the West Coast is growing markedly. Our attendance this year was up over twenty-five percent from last year. And while our members do not expect to get business specifically from these presentations, as versus the work, of their own salesmen, yet this, I am told, actually does happen. At each of the meetings either the publishers themselves or their senior representatives attend. And, as in all things, they work together well as a team.

The theme of the film expresses well our philosophy, for it talks not just about our magazines and how significant they are, but also about Canada, and how important it is. In this sense, we believe that the investment we have made in this film and its tour, which is sizeable for us, typifies the collective attitude of all our members toward Canada, and the responsibility we have as publishers of an informative and opinion-moulding medium.

I am now at your mercy.

The Chairman: Thank you. Your brief was brief, your opening statement was brief, so

perhaps we can turn to some questions. Perhaps I could ask a couple to begin with.

You mentioned seven illustrious members of the magazine community who are in the audience. These in effect, John, would be your bosses?

Mr. Crosbie: Yes. I am in the unusual position of being confronted by a great many bosses today.

The Chairman: How many do you have?

Mr. Crosbie: Twelve. That is to say, twelve magazines, and each one represents a man. The majority are here. I don't see anyone from *T.V. Hebdo*, or *The Observer*, regrettably. I guess that is the force of circumstances.

The Chairman: I hope you will not feel inhibited. May I remind you that everything you say here is privileged, so you should feel free to relax.

Mr. Crosbie: I welcome your assurance.

Senator Prowse: If they fire him, can we make them take him back?

The Chairman: I am sure that is a terribly academic observation, Senator Prowse.

May I ask you first of all, would you care to comment, or could I underline one point that you made: The Magazine Advertising Bureau is not concerned in any way with the promotion of magazine circulation in Canada.

Mr. Crosbie: Absolutely not.

The Chairman: Not at all?

Mr. Crosbie: I am handed a package which is a magazine which has a certain stature in the community, and this becomes part of my kit.

The Chairman: And similarly, am I correct in thinking, the Magazine Advertising Bureau has no role to play in magazine standards, editorial content, improvement of magazines and so on.

Mr. Crosbie: None whatever.

The Chairman: Is there any organization which does concern itself with these things, to your knowledge?

Mr. Crosbie: I think in the last analysis here, as in the United States, the responsibility rests with the individual publisher. I can't think of anyone that takes a continuing position on this.

The Chairman: I think that there are structures in some of the other media that are concerned with standards.

Mr. Crosbie: I would think, I would hope that the Periodical Press Association, which is a strong and continuing force in Canada, would express an opinion if something of overtly bad nature was seen. I also believe that one must look at the values of the Canadian Advertising Advisory Board when it comes to such things as truth in advertising, and therefore the emphasis is on the advertiser and not the publishers.

The Chairman: I was interested for the moment in standing aside from advertising and looking at the other aspects of magazine publishing, editorial content in particular, and you have made the point you have nothing to do with it.

Did The Magazine Advertising Bureau make any representation to the Postmaster General about postal rates?

Mr. Crosbie: None whatever.

The Chairman: You would not do that sort of thing.

Mr. Crosbie: I would not be in a position to do it. I am not aware of the financial structures of my members.

The Chairman: I said there were illustrious gentlemen here, and you have an illustrious career in the media in this country, one way or the other. You have been a very senior executive in the advertising agency business, and have a background in broadcasting, and now you know a great deal about the magazine business. Do you think that there is a role for a Committee like this to play?

Mr. Crosbie: Very definitely. I welcome the creation of the Committee, and I am impressed by the work I have seen you do during the time I have been in Ottawa. I think this particular industry is fortunate that the Senate of Canada can take time to examine it. I am sure that the outcome will be helpful to all of us involved.

The Chairman: Thank you, I hope so too.

Could you tell us how The Magazine Advertising Bureau came to be?

Mr. Crosbie: I can tell you the short-term history very easily. I was involved with that personally, almost from the outset. Historically over a number of years, there has been an on-going program of the assembly of data

on advertising volume, lineage and pages. This has been going on for well over a decade and the results are published in quarterly reports put out by my office.

However, I am told that in 1966 the people who are now representing the majority of our membership realized that the opportunity existed to improve the lot of the Canadian consumer magazines, if they could work together. I personally returned to Canada early in 1967, and at that time was invited to join them as a paid employee.

On March 1st, 1967, we opened offices, and set up our shop, and have been working on this project trying to improve that lot ever since.

The Chairman: Were you the first Director of The Magazine Advertising Bureau?

Mr. Crosbie: I would not want to answer that question. I have a feeling there were some people, ten to fifteen years ago, that passed through a phase of trying to do this, and we have with us today people like Mr. Brander who can perhaps answer the question better than I.

The Chairman: Were you the first President of the re-structured Magazine Bureau.

Mr. Crosbie: Yes.

The Chairman: Do you know, Mr. Crosbie, who determined the re-structuring of The Magazine Advertising Bureau, or was this before you arrived on the scene.

Mr. Crosbie: I was greeted by a group of publishers with a fait accompli.

The Chairman: So you really couldn't say?

Mr. Crosbie: I couldn't speak for the period of time I was not present.

The Chairman: Is there anybody here who can, or who would like to volunteer about the re-structuring?

Mr. Brander, if you would not mind...

Mr. Brander, Publisher of Macleans Magazine: I could give you a little background, Senator.

The Chairman: I am sorry to call on you in this way, but I think it would be useful.

Mr. Brander: After the results of the O'Leary Commission were announced and some reasonable period of time had gone on, it became pretty clear to, I think, all of us

operating in the magazine industry in Canada, that there was a great need to rebuild faith in magazines as an advertising medium in Canada.

During the period of the O'Leary inquiry, which from beginning to end went on for some considerable time, there was a great deal of confusion and lessening of belief in the solidarity and soundness of magazines as a long-term advertising medium.

This was our central problem. A practical solution appeared to be that the magazines which operated in Canada, which included *Chatelaine*, *Macleans*, *Saturday Night*, *Reader's Digest*, and *Time*—those were the magazines considered to be the magazine industry at that time—that that group get together and undertake a promotional and sales programme which would (a) reinforce faith in magazines as an effective advertising medium; and secondly, would actively sell advertising as an effective marketing tool.

The pattern for this kind of effort, was certainly known to us because it had taken place for instance in the United States, where magazines sold advertising together. It is done world-wide and there is nothing new in it.

Every medium within the country and certainly North America works together: the newspapers, the business papers, television, radio, and so on.

So we met together and we worked out a satisfactory working base on which we could effectively pool our resources and operate, as I say, to sell advertising in magazines.

It happened at the time that I suppose I should say I was the organizing chairman of the effort in the technical sense that somebody had to occupy the chair, but it was a mutual decision.

The Chairman: This was the calendar year 1966?

Mr. Brander: Yes.

The Chairman: May I put one other question to you? I appreciate you are not the witness and I am grateful to you for speaking in this way.

You said, and there have been other references made in the last several years that the O'Leary study did have a detrimental effect on the magazine industry.

Mr. Brander: In this way a kind of cloud hung over the magazines in Canada, particu-

larly those Canadian owned. Month after month as it were statements and items appeared regularly that suggested the magazine industry had very serious difficulties and there was some doubt as to the long-term health and operation of the magazines.

So one by one, I suppose quite properly considering the climate of that time, advertisers were something less than enthusiastic to buy magazine programmes and as this kind of attitude developed it was noticeable that all magazines in Canada were affected. *Time* was affected equally along with the Canadian owned publications.

The Chairman: You were going to say something, Mr. Crosbie?

Mr. Crosbie: I could add to that a historical reflection of what Mr. Brander has just said.

I would like to read for you a series of figures which are millions of dollars and in doing so identify the year 1960 as being the year in the fall of which the Commission sat and 1961 as the year when in the late spring the report was issued.

Looking at 1959 the number of magazines had a total...

The Chairman: These are existing members' magazines?

Mr. Crosbie: Yes; with the exception of *T.V. Hebdo* and *Actualité* because I don't have the figures.

These are total dollar advertising income figures:

1959	20.8 million
1960	22.3, a very sizeable increase
1961	21.6
1962	19.2
1963	18.3
1964	18.2

So there were four years before recovery began to take place from whatever caused that drop.

1965	20.6
1966	23
1967	24.2
1968	24.1

Almost identical figures, really.

Then in 1969, 26 million.

So when I look at the records that I inherited in this new occupation I see evidence of something having been going on at the time

that immediately followed that Commission and this would seem to support what Mr. Brander was saying.

The Chairman: Were there any other things going on at the same time?

Mr. Crosbie: There may well have been.

The Chairman: Notably the advent of commercial television?

Mr. Crosbie: The advent, I believe, had preceded that; had it not?

The Chairman: You think that the impact of commercial television had been felt by then?

Mr. Crosbie: Not fully; I am not too sure. I would not make that conjecture. I had to look at a situation within a given medium and see a decline and then an increase. Did I not see the increase following the decline then I would perhaps support your point.

The Chairman: Your brief contains a list of the membership of the Advertising Bureau. How much does it cost each one of the publications to belong to the Bureau?

Mr. Crosbie: The cost is their share of the budget which is set for each fiscal calendar year based on the individual magazine's percentage of the total income of all the member magazines.

Thus if a magazine has 20 per cent it would be expected to pay 20 per cent.

The Chairman: The total income from advertising?

Mr. Crosbie: I am speaking of advertising.

The Chairman: From national advertising.

Mr. Crosbie: Yes, national advertising.

The Chairman: From all sources?

Mr. Crosbie: Yes.

The Chairman: Probably doesn't cost the United Church *Observer* very much money to belong to the Magazine Advertising Bureau?

Mr. Crosbie: I would regard that as a reasonable conjecture.

The Chairman: You say in that somewhere, I think, that 90 per cent of the consumer magazines belong...

Mr. Crosbie: May I suggest another phrasing of that? The number of magazines repre-

sent slightly over 90 per cent of the ABC audited circulation in Canada.

The Chairman: What magazines are represented in the 10 per cent?

Mr. Crosbie: If you will look at the appendix to the brief they are listed as being in the first column of figures on the appendix, which is the final page of the brief.

Thus we see *Au Grand Air*, *B.C. Outdoors*, *Canadian Boating*, and so on, as being non-members.

The Chairman: Do these publications want to become members?

Mr. Crosbie: We have had conversations.

The Chairman: I will put it another way: do you go after them?

Mr. Crosbie: We have had conversations with some of these publications. We had a conversation when I first became involved with *Actualité*. Subsequently they approached us and we were very pleased when they applied for membership.

We have had a conversation just recently with the magazine listed here called *Electron*. They wanted to know about the criteria for membership and we told them and they have decided that they do not want to join quite yet but they will apparently. That is if they get their budget approved they apparently are very interested in joining.

We have had a conversation with *The Legion* and they say all things being equal they will apply for membership this year. We certainly will welcome them in. We welcome anyone who (A) wants to join; and (B) can meet our rather simple requirement for membership.

The Chairman: Of the magazines listed who do not belong the only one with a sizeable circulation is *The Legion*. Surely you would not be enthusiastic about the *Free Mason* becoming a member; would you?

Mr. Crosbie: Are you asking me as an individual?

The Chairman: I am asking as the M.A.B.

Mr. Crosbie: Why do you conjecture that, may I ask you, Mr. Chairman?

The Chairman: I usually do not answer questions but I will answer it.

Mr. Crosbie: You hypothesized, sir.

The Chairman: I think it would make the presentation, which is very impressive, enormously complicated. I think a magazine with such a small circulation might present difficulties for you in your sales approach. Is that not reasonable?

Mr. Crosbie: That is a very reasonable hypothesis. However, we are committed to supporting the consumer magazine industry in Canada.

The Chairman: That was the next question I was coming to. In fairness to these publications if they want to become members you must accept them, according to your own by-laws, but you do not seek them?

Mr. Crosbie: No. By the same token I feel we are already doing a great deal for them and if we are doing good at all it must be because of the percentage of circulation we already represent and it must be a good which extends out to those magazines.

This is frankly one of the reasons why we would not think of pressing a magazine of the size of *Electron*, which only has some 14,000 circulation, pressing or trying to coerce them into joining with us.

We need the help of every magazine we can get in order to ameliorate the cost of existing members, but by the same token we do not want to exert a hardship.

The Chairman: Presumably the amount of money which the *Free Mason* would contribute to the overall budget would be infinitesimally small?

Mr. Crosbie: One could assume that.

The Chairman: I shall assume that. I want to turn to some of the Senators. I have some other questions myself.

Mr. Fortier?

Mr. Fortier: Mr. Crosbie, you say that the basic requirement of membership is that the magazine have its circulation audited and verified by the ABC. What are your other requirements?

Mr. Crosbie: One of the other principal requirements is that it be a magazine in the sense that people pay for it. A publication which is distributed without charge is not by our definition a magazine because it has not proven its need; not proven that people are willing to lay money on the line for it. To us this is a very vital difference.

Mr. Fortier: You say the qualified circulation magazine is not a magazine?

Mr. Crosbie: Not by our context. Anyone can hire a printer to put pages together and create something but until the consumers have proven that the editorial contents have sufficient merit and they are willing to spend money for it we don't regard it as being a true magazine.

Mr. Fortier: But it is well established that the advertisers do not agree with that statement. There are, as you well know, some qualified circulation magazines that are very well patronized by advertisers who know that the magazine will reach a particular market and consequently they can aim their advertising at that particular community.

Mr. Crosbie: Yes, Mr. Fortier. It is our belief, however, it is one of our selling strengths that we can say to such an advertiser the key difference between our magazines and that kind of publication is that we can prove the people really want it; they are not just receiving it at the door or throwing it out or whatever you do with the various magazines.

Mr. Fortier: We had a number of discussions on that subject with representatives of the business press whose publications, as you know, are for the large majority unsolicited, and I am very interested in hearing your comments. You feel that most unsolicited publications find their way to the waste paper basket?

Mr. Crosbie: I would not say "Yes" to that question because the context embraces the business press and I feel in the case of specialized magazines in the more esoteric aspects of industry they undoubtedly get very well read.

A magazine on inverse widgets is going to be of great interest to a man who cannot get his information anywhere else and whose profession is making inverse widgets.

We are talking within the framework of the broad public. Here one suspects that it is a valid statement to put forward that a magazine that you have not paid for is likely to be less well read by you than one for which you have laid out your after-tax money.

Mr. Fortier: In view of the distinction you have made, you seem to set aside the business presses from the other unsolicited magazines, would the Bureau consider receiving within

its ranks magazines which belong to the so-called business press.

Mr. Crosbie: We have not contemplated doing so since our institution.

Senator Everett: Would you tell me what percentage of your circulation must be paid?

Mr. Crosbie: Yes. There is no stipulation by percentage. We say a major portion be paid. There is a stipulation in the ABC, not in our by-laws.

Senator Everett: You would accept the ABC regulation?

Mr. Crosbie: Yes.

The Chairman: On this qualified circulation business, there are magazines which perhaps would not qualify as business press. I think of *Home makers Digest* as one and *Toronto Calendar* as another. What would be your opinion of those publications as far as their value for national advertisers?

Mr. Crosbie: My professional opinion, sir, is the money should be spent elsewhere.

The Chairman: You should have a discussion with Mr. Nobleman. I saw a full page *Saturday Night* advertisement in the current issue of *Toronto Calendar*.

Mr. William Nobleman, President of Saturday Night (from back of room): They solicited it.

The Chairman: But you bought it. It is a contract deal? I am sorry.

Mr. Fortier: In paragraph 4 of the brief you refer to the informal relationship with the namesake organization in the United States that has proven beneficial to Canada. Would you care to expand on that?

Mr. Crosbie: Well there is the coincidence of name. There is in the United States an organization known as the Magazine Advertising Bureau.

Mr. Fortier: Coincidence?

Mr. Crosbie: It is, I believe, coincidence. I certainly know of no other source of this identity. It is the child of the Magazine Publishers Association in the States.

Now it happens that with fair frequency the people at the M.A.B. in the States will be doing research and preparing material for the promotion of advertising in magazines which is of interest to Canadian advertisers and

because of this informal relationship, which falls in the area that could be best identified as friendship, it has been possible for us to borrow material from them and reproduce it in Canada and thereby, frankly, economise, and at the same time provide the advertisers of Canada with a service.

I have a phrase which I use rather whimsically, but which I sincerely believe has some merit, that in dealing with the United States in our discussions on Canada we are dealing with a sample which is larger than the whole. We frequently get information from them that certainly seems to have a great deal of validity in our economy particularly in relation to purchase of products and so on.

I hold out for you as an example a booklet called "Who Moved the Sand Pile?" We recently produced this in Canada and you will find it in the back of the brief. This was based on an American booklet which we thought they had done very well and we were able to borrow some of the art work and some of the other material and then convert this to our Canadian needs by inserting Canadian facts.

Mr. Fortier: *Time* and *Reader's Digest* represent approximately 30 per cent of your total circulation. Do you honestly believe you would have this sort of co-operation from the American Magazine Advertising Bureau if *Time* and *Reader's Digest* were not members of your Association?

Mr. Crosbie: To answer the question I must pay tribute to Mr. Gerald Brander, publisher of *Maclean's* magazine and *Magazine Maclean*, who long before my returning to my native land had set up the relationship I have sought to perpetuate with this organization.

The Chairman: Perhaps your question should be put to Mr. Brander.

Mr. Fortier: Perhaps it should.

The Chairman: Would you care to comment, Mr. Brander?

Mr. Brander: Yes. The fact is before the formation of the existing Magazine Advertising Bureau there was for many years a magazine organization in Canada with much the same aims and they had a relationship with the comparable, though larger, American organization.

We had a friendly relationship with many of the publishers in the United States where we received some assistance, who we would

look to for guidelines in magazine publishing. This was mutual and again this is not unusual in industries.

Over the period of time that any occasion arose when material which they developed, which was very basic to the concept of the advantages and values of magazines, copies were available and they were gracious enough to allow us to use them in this country.

The Chairman: What year did you establish that liaison?

Mr. Brander: As far as I am concerned back somewhere around 1959 when I came into the magazine industry from another phase of publishing.

The Chairman: That was before the O'Leary Commission report?

Mr. Brander: Just before.

The Chairman: Mr. Fortier?

Mr. Fortier: This morning Mr. Brander spoke of a levelling-off level, if I may use that expression, of some 2.4 to 2.6 per cent of the Canadian advertising dollar in Canadian magazines.

I was interested in noting in paragraph 5 of your brief this compares with the figure of 7.3 per cent in the United States of dollars spent in the media each year.

Do you agree with Mr. Brander's view?

Mr. Crosbie: There has been a levelling off?

Mr. Fortier: Yes. I may have misunderstood Mr. Brander. I thought he prognosticated that this would remain fairly static.

Mr. Crosbie: If I may take that in two steps. Has there been a levelling off? I am quoting here from figures which have been supplied to me by a research organization that says that going back to, let us say, 1964 and reading forward the percentage figures shown are: 2.6, 2.6, 2.7, 2.6, 2.5, 2.6, 2.6.

This looks like a levelling off.

The Chairman: Do you have them from 1959?

Mr. Crosbie: Yes.

The Chairman: Would you give them to us?

Mr. Crosbie: Yes, I would be very happy to.

1958	—3.7
1959	—3.5
1960	—3.8
1961	—3.5
1962	—3.0
1963	—2.8
1964	—2.6

And from then on very little variation.

Senator Prowse: You couldn't tell us whether those big drops are associated with any particular magazine ceasing to publish in those years?

Mr. Crosbie: I would not relate the figures for those years to that. I would have to call on my associates to recall when *Liberty* ceased publication.

Mr. Brander: 1964.

Senator Prowse: So that the losses in the end of the 1950's and the beginning of the 1960's was before there was a dropping of the magazines?

The Chairman: Mr. Hutchinson?

Mr. Hutchinson, Publisher of Chatelaine Magazine: *The Canadian Home Journal* ceased publishing in June of 1958 and was merged into *Chatelaine*. In all fairness on that particular subject, all of the advertising that had been committed for the *Canadian Home Journal* was converted into *Chatelaine* and although the magazine disappeared, the advertising did not.

Mr. Crosbie: I would make an observation in passing. On those figures I quoted fortunately for us in the magazine industry we are talking about a total all-media investment by advertisers that has been growing.

So in 1969 when we say it is the largest year in our history we are not talking of percentage but dollar volume.

Now as to whether or not we will be able to increase that percentage—this is first of all our aim; secondly my personal hope; and thirdly, if there is a difference, our ambition. I think we can do it.

I think with all deference to any comments which have been made here earlier, I believe we can increase that and with the indications of this past year, the reception we have had from advertisers as we went around talking only about the concept of magazines, which is all I do, I don't sell individual magazines, I

believe that we are beginning to have some effect. Otherwise I would not continue to do what I am doing.

Mr. Fortier: Is the figure of 7.3 Utopian as far as Canada is concerned?

Mr. Crosbie: It is my first target.

Mr. Fortier: It is a well known fact, we have seen it in the research material which has been prepared for this Committee, that the greatest gainer since formation of M.A.B. has been *Time* magazine. Is this likely to continue?

Mr. Crosbie: I can't answer that because I think that is a matter that lies in the hands of the very excellent sales force that each magazine provides.

All I can do to influence the situation is to try to improve the lot of Canadian consumers magazines. After that it becomes the job of the individual magazine to get out and sell.

Mr. Fortier: The total amount of dollars, as you have just recently pointed out, being spent on advertising in media is increasing in Canada. Do you see this as adding to *Time's* relative position at the expense of other existing magazines?

Mr. Crosbie: I cannot honestly see any concrete evidence of that; no.

Mr. Fortier: I don't think it is fair to push any further with my questions in this area. I will pass for now.

The Chairman: Do any of the Senators have any questions? Perhaps I could ask you one.

At page 2, paragraph 5, the 7.3% figure. That is almost three times as large as Canada. Why would that be, particularly given the fact that Mr. McEachern told us the other day that his magazines have a proportionately larger hold of the Canadian market than magazines like *Life* and *Look* and *McCall's* and so on on the American market.

Mr. Crosbie: I believe that Mr. McEachern was right in mentioning specific magazines as examples. In this counterpart organization, with which we have the friendly relationship, there are, I believe, 365 magazines contributing to that figure.

The second point that might be put forward here is that there is a great deal of international advertising in North America where the advertising agency, or the advertiser

working for an American company, looks upon the overflow circulation of American magazines as being an adequate gesture toward the print media and invests money in Canada in the electronic field. That is one of the reasons why emphasis is placed on the electronic opponent for us.

The third point, which is conjecture on my part, if I may introduce personal experience, having worked in the advertising community in the United States and then returning to Canada, I believe that television in the United States is accepted in the advertising media evaluation in a slightly different way than it is in Canada.

There still seems to be in Canada on the part of some people concerned with the creation of advertising to regard it as a new and exciting medium. This is not to say it is not exciting but rather in the United States not quite as new, it has found its niche more so than in Canada.

The Chairman: Could you tell us on that subject, John—this is perhaps an unfair question as you may not have the statistics—the percentage of the overall national advertising budget in Canada which is spent on television advertising, how does that compare with the comparable figure in the United States?

Mr. Crosbie: I couldn't answer. I am not in a position to answer that.

The Chairman: That would validate your observation.

Mr. Fortier: A supplementary, Mr. Chairman, if I may.

You paraphrased the reaction of some of your potential advertisers: why should we advertise in Canadian magazines? Our United States magazines overflow into Canada. We thus reach a reasonable market.

How do you answer that when they reply to you in this way?

Mr. Crosbie: Our answer goes in this fashion: we believe that the Canadian public, while it does read American magazines, reads them with awareness of the fact they are in fact American magazines. By observation, if one looks at the newsstands of our major cities today, you can see a growing presence of publications from other countries—Germany, Sweden, France, England. Canada's interests are broadening, becoming much more global.

In this perspective we believe that Canadians do not necessarily assume when they see advertising in an American magazine that the product is available in Canada.

The Chairman: How do you relate that comment to *Time*?

Mr. Crosbie: *Time* in this context is, of course, a Canadian magazine because it is here. It is apparent from the content of the magazine, the excellent editorial preface on Canada, and from the sheer content of the ads where Canadian references are frequent that we are indeed talking about a magazine present in Canada and making an investment in the economy.

The Chairman: I am a subscriber to *Time* and are there any national advertisements appearing in the issue of *Time* that I receive at my home, advertising products which I cannot buy in Canada?

Mr. Crosbie: I would not expect to find any. I would think it would be a very foolish investment on the part of the Canadian advertiser to do that.

The Chairman: So there are none?

Mr. Crosbie: I have never seen any. I cannot conceive of it being done.

The Chairman: You expressed concern about the question of overflow American coverage. Has M.A.B. (Canada) discussed the matter with M.A.B. in the United States?

Mr. Crosbie: No. This would strain friendship, I am afraid.

The Chairman: It might be a friendship well worth straining.

Mr. Crosbie: The influence of the M.A.B. in the States, the American M.A.B. on their members in respect to—let us presume the point here is controlling overflow of circulation into Canada—I would not expect to be that great.

I do not believe that there is a great deal of profitability for the American magazine publishers in distributing copies in Canada. They cannot take a great deal of credit when it comes to charging for advertising space. They do not attempt to do so. They cannot claim a Canadian edition and therefore one notes a tendency for the major American magazines to decline in circulation.

One notes, for instance, in the past year that *Life* magazine has gone down 9.8 per

cent; *Look* 1.9 per cent. These are figures that have recurred from year to year.

The Chairman: Will you give us that again?

Mr. Crosbie: *Life* magazine 9.8 per cent.

The Chairman: That is *Life's*...

Mr. Crosbie: Decrease in circulation 1969 over 1968.

The Chairman: In Canada?

Mr. Crosbie: Yes.

The Chairman: Would you have the figure for the decrease in circulation in the same period in the United States?

Mr. Crosbie: No, I don't have that.

Mr. Brander: A sharp increase.

The Chairman: Would you have that for me? The question I am asking is their figure, the percentage increase or decrease for *Life* comparable to the figure—which are the years you are giving us?

Mr. Crosbie: 1969 compared to 1968.

The Chairman: 1969 compared to 1968.

Mr. Brander: I think about 500,000. I think they went from 8 million to 8.5 million.

The Chairman: They went up from 8 million to 8.5 million. What was the other figure you were quoting.

Mr. Crosbie: I have a list here.

The Chairman: We would be interested.

Mr. Crosbie: Would you like me to read them all?

The Chairman: You don't need to read them but would you file them with us? We would find it very interesting.

Mr. Crosbie: Perhaps I could file this, too.

The Chairman: Back to this question of overflow. Do you think the overflow problem is becoming less serious in the consumer magazines? Obviously it is going down almost 10 percent a year.

Mr. Crosbie: In the case of that particular publication. There are others that are going up. I must say that the virility of Canada is endorsed by the increase of *Playboy* in Canada from year to year. Generally speaking the major books are going down. The books

that are increasing, as I look at the list—this is a list that sends into Canada more than 40,000 copies per month—the books going up are by observation those that are specialized books.

This harks back to something said to you earlier.

The Chairman: And which you would agree are competitive with some of the Canadian magazines.

Mr. Crosbie: Well, to a degree, yes.

The Chairman: Mr. Gzowsky made the point this morning—we asked him who his competition was and he said "everybody."

Mr. Crosbie: In this sense it has to be true.

The Chairman: The Maclean-Hunter people said they came here seeking nothing and I am sure you seek nothing, but let me put a question to you: what do you think this Committee should recommend or should do about overflow circulation? What should we do in the interests of the magazine industry in Canada about this overflow circulation? Perhaps the answer is "Nothing", and if it is, say so.

Mr. Crosbie: As an ad lib suggestion to you I would certainly recommend you support Canadian Tariff Item 9921-1, which is the tariff item under which the use of American based magazines exempts the advertiser from protection on tax deduction.

I have found it to be my experience that the question most frequently asked in my office by advertising agencies in the United States is related to this question of whether or not the copy in a magazine coming into Canada would indeed penalize the advertiser.

So I regard it as a very vital bulwark of our Canadian magazine economy.

The Chairman: You listed three reasons and you related the overflow question to the term of electronic component. What do you think the Committee should recommend about the CBC?

Mr. Crosbie: I have no suggestion to make to you in that regard as a magazine man.

The Chairman: A lot of the magazine publishers who have been here have spoken—I hesitate as I was going to say all the publishers but that would be unfair—I don't say all but quite a number have spoken about the CBC.

Mr. Crosbie: If I may say as an individual citizen, I have this opinion: I invite you to look at the case of this particular citizen who derives his income from the welfare of the Canadian consumer magazines and is paid by them and out of that pay subscribes dollars through taxation to the maintenance of staff people to go out and sell against his source of income.

This seems to be an achronistic situation.

As an example, three weeks ago I had a telephone call from a young man who was employed by the CBC and who was building a presentation to persuade someone to buy time on the CBC and he wanted us at the Magazine Advertising Bureau to give him all the data he needed on magazines in order to make a case for television.

The Chairman: What did you tell him?

Mr. Crosbie: I drew an analogy that had to do with the First World War and running out of bullets.

The Chairman: Do you think that the CBC should get out of the commercial business completely.

Mr. Crosbie: It is my personal opinion that the CBC has no place in the living room of the nation in the commercial sense.

The Chairman: I think that is important to add—in the commercial sense. What about in the non-commercial sense?

Mr. Crosbie: I am a strong supporter of the CBC. My record shows that in my lifetime I was an employee and I found it to be a very satisfactory source of income and I believe it fills a very important function in our country at this time.

The Chairman: But you believe that it should be out of the commercial business altogether?

Mr. Crosbie: Absolutely.

The Chairman: Let me tell you the question I am not going to ask you: how would you finance the CBC? I think that would be perhaps straying a little off the subject at hand.

Mr. Crosbie: Well, since we are already financing the CBC with taxpayers, to so large a degree, surely it would not be inequitable to go along another step.

Senator Prowse: If you can't think of a supplemental, I can.

The Chairman: Well, this is not a CBC hearing, but if you wish to ask a supplementary, you may.

Senator Prowse: If the amount of money that is spent on electronic advertising on the CBC were not available to the CBC, is there not a good possibility that there would be independents dragged in to take up that; in other words, who would get the electronic money?

Mr. Crosbie: All I can say, Senator, is we would do our best.

Senator Prowse: You really don't expect to get much of it. If you took the CBC out you would have other TV people in there.

Mr. Crosbie: Absolutely.

Senator Prowse: And they would be going to people who must be already sold on the electronic media; otherwise they would not be putting money into it.

Mr. Crosbie: We would like to have the opportunity.

Senator Prowse: You can still try.

Mr. Crosbie: We do.

The Chairman: That is all I have on the CBC.

In your appendix at the back you list magazines. We have a magazine appearing tomorrow evening and I note that they are not listed, that is *Toronto Life*. Why are they not listed?

Mr. Crosbie: They are not listed simply because they have not yet been audited.

Mr. Fortier: The same question with *Sept Jours*.

Mr. Crosbie: Yes.

The Chairman: The same reason?

Mr. Crosbie: Yes.

The Chairman: Are there many magazines in Canada in that category?

Mr. Crosbie: Yes. If you will refer to the footnote number 3 in the Appendix in this publication from which we take the data, *Canadian Advertising Rates and Data*, there are some 210 magazines listed. Of these only those shown in the column above the footnote are audited by ABC.

The Chairman: I have only one other question. It relates to page 3, point number 6.

You talk about the magazine industry "as a medium of intra-personal exchange and relationship effecting the very fibre and composition of our nationality."

Would you comment on that "very fibre and composition of our nationality?" That is a very resounding phrase. How do magazines contribute to the "very fibre and composition" of our nationality?

Mr. Crosbie: First, by reason of their editorial position all of them, every one of our members contributes in this sense of exploring in greater depth than other media can provide, the issues that are of concern to the Canadian people.

I also believe very sincerely that there is a second level of contribution and that is the sometimes maligned area of advertising because through advertising we Canadians are made aware of the products that are available to us, the choices we have as people of free choice; economically the advertising stimulates the flow of dollars from hand to hand in our country.

In these two ways I believe the magazines are a very vital thing and do affect the fibre of our society.

The Chairman: Could you be more specific about the editorial? Your comment on advertising is an interesting one and it is one we will doubtless hear more about from the ICA representatives coming before the Committee.

You have made the point that the Magazine Advertising Bureau has no concern or relevancy in terms of editorial content. That does not preclude you making that kind of judgment but could you be more specific? Are all of the member magazines dedicated to an increased sense of Canadianism?

Mr. Crosbie: I would not say "Yes" to the latter question. However, I would like to answer this way, that the degree of dedication to Canadianism varies by magazine.

One has a magazine which looks at national issues solely; one has a magazine which looks at areas of interest having to do with the arts and music and politics and so on; one has on the other end of the spectrum a magazine which to a very great degree reaches out to all parts of the world and brings back to the Canadian reality, an awareness of what the world offers and enables the Canadian reader to position himself within that world.

The Chairman: I think that perhaps those are the only questions we need to ask you. I am sorry, Senator McElman?

Senator McElman: Why is the *Atlantic Advocate* not listed in your appendix?

Mr. Crosbie: For the very reason, Senator, I have had conversations with the good publisher and seen his plant. He is not at the present time, to the best of my knowledge, as of my last conversation, contemplating applying for audit of his circulation.

The Chairman: All I was going to say, Mr. Crosbie, was that this terminates the questions I think we have for you. If I could remove my Senatorial headgear for one second and revert to a role I played as advertising space salesman, I would say your statistics are most impressive. They are terribly well organized and I think you have a tough story to tell, but I think you tell it extremely well. Thank you for coming.

I would say to the Senators that the next session is with the ITU at 8 o'clock tonight. At 9 o'clock tonight Mr. Ken Lefolii will be with us.

The Committee adjourned at 6.00 p.m.

—Upon resuming at 8:00 p.m.

The Chairman: Fellow Senators, this evening we are receiving a brief from the International Typographical Union.

I perhaps should begin by introducing the four witnesses who are here.

On my immediate right, is Allan Heritage, a former president of the Toronto Mailers Union and Canadian Representative, I.T.U.; on Mr. Heritage's right is Mr. James P. Duffy, President of the Ottawa Typographical Union. On my left is Mr. Allan Histed, the President of the Hamilton Typographical Union, and sitting on Mr. Histed's left is Mr. Robert Earles, who is the President of the Toronto Mailers Union.

It is my understanding, Mr. Heritage, that you are going to be the spokesman for the group. The procedure which we follow here, is very simple. The brief which you were kind enough to send along some weeks in advance has been received, and studied by the Senators, and I think they are prepared to ask you some questions on the contents of the brief as well as on the oral comments which I am going to ask you to make now, and, indeed, there may be other matters which the Senators wish to discuss with you.

I would now like to put at your disposal, about fifteen minutes. You can amplify the contents of your brief, you can explain it, and anything else that may, or may not be on your mind. We will question you on what you say, and what you don't say, and on what's in the brief.

Thank you, and welcome, Mr. Heritage.

Mr. Heritage: Thank you Mr. Chairman, and Honourable Senators.

We appreciate this opportunity to appear before you this evening to give our views on the newspaper industry.

Originally we had no intention to appear because we have a good relationship in the news media industry that we cover.

However, because of remarks that have been made by previous presentations by publishers, we felt that those remarks had to be answered.

However, before I go into detail, or any comments on our brief, I feel there should be a slight correction in a typographical error.

The Chairman: Good heavens, yes.

Mr. Heritage: In the haste of preparing this brief, because, as I said, we were not actually planning to attend, page 2, paragraph 6, should read "61 newspapers", rather than "44 newspapers" that we have contracts with.

The Chairman: That is the top line of paragraph 6 on page 2. "At present, we have signed contracts with...". It should be 61 instead of 44.

Mr. Heritage: That is correct.

Senator Prowse: Does that include the two that were certified, or are those still pending as well?

Mr. Heritage: Those two are still pending.

Senator Prowse: That would make a total of 63.

Mr. Heritage: Yes.

Mr. Chairman, Honourable Senators, it was disturbing to us but I understand that this is the procedure, that our brief has already been put out to the public, and it seems that we have been tried already. There has been interest given to our brief before we even appear before this Committee. I think it's a good example in just looking at the news coverage of why we felt we had to appear.

We have no criticism of the reporting staff, but we happen to know better than most people what happens sometimes to a story. This usually happens to us when the news media is covering any type of labour dispute, or grievance concerning the I.T.U. and the newspaper industry.

For instance, in the clipping I have, the *Ottawa Citizen*, if you read the story, they give us very good coverage to start with on our brief until we get down to the last paragraph.

The Chairman: I think the Senators should be clear that you are quoting from today's issue of the *Ottawa Citizen*.

May I also say, for the benefit of the Senators, that we released the briefs of witnesses I think at 6:30 in the morning. That is a standard procedure which the witnesses are aware of. I know you are not suggesting that you weren't, but just so the Senators will be clear, the briefs are released the day the witnesses are coming, in time for the afternoon papers, and very often the afternoon papers run early stories simply on the contents of the brief prior to the actual hearing taking place.

Now, this is the story that you are quoting from, is it not?

Mr. Heritage: Yes, the point I am trying to make, and I imagine everyone in this room has gone through it, when you give a news release to the press, or you make a statement to a body of people and pick up a newspaper and read it, you sometimes can't recognize your own statements. Here we have presented a brief this evening that was released earlier. When it comes out in the press, it is almost the full text, but they leave out some of the most important parts that can mislead the public or any person reading the coverage.

In our brief on page 12, we started out talking about the effect of multiple-ownership and our concern of it. We have nothing against multiple-ownership any more than the public. We are concerned about it, in many ways, but as the public should be concerned. But there is one chief concern of ours, and we mention it in our brief.

However, when the newspaper reported it, they left out some important points—if you read their new coverage, it says:

"It is said that the management of the *Ottawa Citizen*, where the I.T.U. has been negotiating for a first contract since last

July, shipped advertising to another Southam paper, *The Winnipeg Tribune*, for photo-engraving."

We do not say in the brief, "that it was shipped to Winnipeg for photo-engraving". If you look at our brief closely, we said on page 13, section 40,

"At this point, because it was impossible to produce all the advertising in one day without overtime, the management shipped all surplus advertising to another component, *The Winnipeg Tribune*, where enforced overtime is not illegal. The finished product was shipped back to Ottawa in the form of photo-engravings to be run in *The Ottawa Citizen*."

Now, the question comes up, why do they word it differently than in the brief? The way they worded it in their news coverage:

"It is said that the management of *The Ottawa Citizen*, where the I.T.U. has been negotiating for a first contract since last July, shipped advertising to another Southam paper, *The Winnipeg Tribune*, for photo-engraving."

They said they shipped it to Winnipeg for photo-engraving. That isn't what the brief says. We said they shipped the advertising, and we are not interested in the photo-engraving application. We are interested in the typesetting.

They sent it to Winnipeg for typesetting. But if you look further on management's statement, like I said, we have already been tried before we got before the Commission.

There is another paragraph here, where it says:

"In a statement today E. S. Leigh" but I won't read the whole statement.

The Chairman: Well, why don't you read the whole statement? Don't you want to read it into the record?

Mr. Heritage:

"In a statement today, E. S. Leigh, business manager of *The Citizen*, said: Without warning or discussion, the employees in the composing room of *The Ottawa Citizen* stopped working overtime during the busiest period of the year.

"*The Ottawa Citizen*, working completely within its agreement with its employees, sought other methods of typesetting advertising which could not be handled by its own employees.

"This can hardly be construed as 'frustrating normal and legal efforts of a union to sign a first contract'.

"*The Ottawa Citizen* does not possess photo-engraving facilities."

This leaves the impression that because they don't possess photo-engraving facilities, they had to ship it to Winnipeg for photo-engraving. But they also left out the important parts of the brief on the overtime. The employees did not refuse to work overtime, it was a case of the Ontario Law being invoked.

The provisions of the Act were invoked on the fact that *The Ottawa Citizen* was violating the Employment Standards Act of Ontario, but they did not put that in the paper.

The point I am trying to make is that it seems that when the newspaper unions are involved in some type of labour dispute, the way the coverage comes out in the newspaper is entirely different. It doesn't give us fair coverage.

If it had been some other industry, the newspapers would have condemned them for such actions.

I just thought I would mention that point at the outset because of the fact that we were a little perturbed that we were tried in public before we had a chance to answer the questions before the Committee.

Senator Prowse: Mr. Chairman, may I ask...

The Chairman: Well, you may ask—The witness is still making his oral statement—Well, if he doesn't mind having the question now...

Senator Prowse: You state that they shipped advertising which would run into overtime. This is, as I read your brief, to *The Winnipeg Tribune*, for setting.

Mr. Heritage: Right.

Senator Prowse: And you say they shipped it back in the form of photo-engravings.

Mr. Heritage: That's correct.

Senator Prowse: But you people are not interested in photo-engraving except insofar as it must have been set to make a photo-engraving.

Mr. Heritage: That is correct. You would have to have the type set someplace.

Senator Prowse: Has Southam a contract at *The Tribune* with the I.T.U.?

Mr. Heritage: No.

Senator Prowse: They shipped it to a non-union shop...

Mr. Heritage: Right.

Senator Prowse: ...had it set there and had it sent back, but they are leaving the impression, or, your argument is that they are leaving the impression that you have accused them of saying that they have shipped it out so it would not have to be set here.

Mr. Heritage: Yes, that is right. If you read the news story carefully, they have left the impression that the reason they had it done was because of the fact they did not have a photo-engraving department.

Senator Prowse: Which they don't.

Mr. Heritage: Which they don't, but this isn't the case. They shipped it there because of the fact of the invokement of the Industrial Employment Standards Act of Ontario, because of a grievance.

Senator Prowse: Ordinarily, it would have been set in type here?

Mr. Heritage: That's right.

Senator Prowse: They ship it to Winnipeg.

Mr. Heritage: As copy.

Senator Prowse: As copy. It is set in type in Winnipeg, photo-engraved, and they send it back so all they have to do is to make a mat of it here; is this correct?

Mr. Heritage: They would lock it up in a form, along with other type of news stories, etc., and then roll a mat.

Senator Prowse: Yes, the thing would come back.

Mr. Heritage: The point I am trying to make, though, is this is a real concern in multiple-ownership. I think other matters of news coverage and so on, the whole public is concerned about, and we are too. We have good relationship with group organizations, but we are concerned where you have multiple-ownership, and there is a good example, as we pointed out in our brief, that this could happen.

For instance, if we had a labour dispute, they would just ship the work out to one of

their other plants, and have it set, and then ship it back air express or by arrangement with the airlines; and this does concern us as a method of economic pressure.

Senator Prowse: Anything that wasn't under a time pressure, like an immediate news story, could be handled in this way.

Mr. Heritage: Right.

The Chairman: May I say, Mr. Heritage, that we really haven't begun the question period. Have you other things you want to say in your oral statement? Then we can return to the question period. Senator Prowse. If you don't mind, I think we should return to the oral statement.

Senator Prowse: Sorry, Mr. Chairman.

Mr. Heritage: The only point that I was trying to establish by my presentation was the fact that the news coverage is misleading in the case of unions who are involved with the newspaper industry.

The Chairman: You have some other things there you want to say.

Mr. Heritage: One of the reasons that we are appearing, Mr. Chairman, before your Committee is (as I said earlier, we had not intended to appear) is because of remarks of publishers. For instance, a publisher did make a statement here (I don't know whether it was in his presentation or not, but he was so quoted in the press) of his concern over the dues money of employees of his plant being sent to the United States.

I believe there have been other comments in the press since that statement was made, from other people.

I want to point out to the Committee here, that in case of the I.T.U., our money is all deposited in Canada. In fact in the fiscal year 1969, the sum of \$817,275 in excess of dues that were paid by Canadian members, was actually brought in to pay fraternal benefits to our Canadian members. If I went back over a longer period of time, it was much higher, but I am just taking the last year, 1969. We wanted to clear the record.

Another reason why we feel we have to try to clear the air, and there is no reflection on the reporters, but it seems that when it comes out in the story, they seem to get mixed up with the International Typographical Union, and the local Typographical Union.

Our locals have complete autonomy. I want to stress that the International does not become involved in any type of negotiation or dispute until they are requested to do so by the membership—not by the officers, but by the membership. That is in our constitution. This is one of the democratic points in our union. Some of our people say it is too democratic, but this is the way we operate.

Unfortunately, when a local union gets into a labour dispute, the press plays it up as the International Typographical Union. We have, of course, some locals that get out of hand the same as we have some employers who get out of hand. You don't tar everybody with the same brush.

I want to stress that there is complete local autonomy, and we do not interfere, until such time as we are requested to step into the picture.

Also, on the point of stressing what we feel is poor coverage in the case of unions involved in the newspaper industry—for instance, in the Toronto situation a very unfortunate dispute was widely misunderstood. The newspapers did not stress the fact that, although an agreement was reached twenty days after the dispute occurred on the matter of the computer, it seemed to be the item that was played up throughout that dispute.

The employers themselves introduced twenty-three new items into the negotiations after that. Where was the news coverage on the fact that they brought up twenty-three new items?

It became a one-sided story about the International interfering in local autonomy here in Canada. This concerns us in the newspaper industry—that the newspapers can editorialize and condemn other industries for the way they treat their employees, but when it comes to the news media (I am not saying all the papers, we have some papers that give us coverage) but I am saying that unfortunately it is a general rule that they don't cover labour dispute with their own employees as accurately as they would cover labour disputes with another industry, and this bothers us.

For instance, in the Toronto newspaper dispute, they did not mention the fact that pensions were a very important item to the people. They had been covered under the contract, for many years for a non-contributory pension. One union, the Mailers Union, under the terms of the contract had the right to respect the picket line. Their contract was

still in effect when the Ontario law came into effect saying pensions should be funded. The Mailers still have not received their pensions. They have lost their pensions and all the employees there, because they were involved in the dispute, lost their pensions.

Yet, if another industry had done this to their employees, they would be condemned by the newspapers for taking such action.

Again this points up what we feel is our concern with lack of coverage of labour disputes with their own employees.

There is another area we wish to stress—that we have good relationship with most of our employers across Canada. I say that in all seriousness that we had not intended to appear, but it seems that several of the publishers that have appeared have also stressed the fact of the union's failure to cooperate in automation, etc.

Well, I believe our brief has covered this area. I would like to point out to you, Honourable Senators and Mr. Chairman, that the I.T.U. has spent millions of dollars on re-training. We have a five-million dollar training centre in Colorado Springs; we have sent up instructors to help employers to get started where they wished to have our cooperation.

We presently are working with the Provincial Government of Ontario through Brown's College for re-training over 200 people involved in the labour dispute in Toronto and we have carried the program across the country because we know that the industry is changing fast, and we have got to have our people prepared to meet it.

We get a little perturbed when the newspapers continually condemn unions on disputes and sensationalism, where there is a strike, but when it comes to the good things they do when they are meeting the challenge of automation, re-training, you never see many stories on this.

I think the public should be made aware of the fact that unions do a lot of good, and especially in the newspaper industry. We are not fighting automation.

Sure, we still have our battles on other items and principles, and we fight hard on them, but I think we should get a better shake and a fairer shake from the newspapers when labour disputes with their own unions, and their own employees are involved.

I think that is about all I have to say. I believe I have covered all the points, and I appreciate this chance to appear before you, and certainly my colleagues and myself would be prepared to answer any questions you may have.

The Chairman: Thank you very much, Mr. Heritage.

I would remind the Senators that we have Mr. Duffy on my extreme right, and on my left, Mr. Histed and Mr. Earles.

I think the questions, Mr. Heritage, we will put to you, and if you wish to perhaps enlist the help, or turn the question over to one of your colleagues, then you can by all means do so.

I think Senator Everett has the first question.

Senator Everett: Mr. Heritage, in your brief as you have just stated, you point out that the I.T.U. has spent a considerable amount of money on providing a training centre where members of the union can learn a new technology. Can you tell me who pays for that training.

Mr. Heritage: The dues for that training. Only the dues from the members—no member is charged for going to the I.T.U. training centre.

Senator Everett: Is any newspaper charged?

Mr. Heritage: No newspaper is charged one penny for that training.

Senator Everett: If a newspaper makes a request to the I.T.U., or local for training, is that request generally granted?

Mr. Heritage: It is always granted.

Senator Everett: Does the newspaper pay the cost of transportation and compensation of the employee?

Mr. Heritage: This has been done in various ways.

In fact, we have programs where sometimes the local union has picked up the complete cost of transportation, even the lost wages; sometimes it has been a combination—where the union and the individual and the company have shared the cost of transportation and wages; or we have also had cases where the company has picked up the cost of transpor-

tation and wages, depending on the circumstances.

We also have had a case where the Department of Manpower contributed—in the case of *La Presse*. It was a situation where the Provincial Government of Quebec, the Federal Department of Manpower, and *La Presse* sent down a team of investigators to our training centre, and found out it was the only place in North America they could get this specific training; so Manpower shared part of the cost, but they did not share any of the cost of the actual materials or the training itself, or instructors wages. This is all borne by the International Typographical Union.

Senator Everett: That is not charged to the local.

Mr. Heritage: It is not charged to the local.

Senator Everett: Just to move on—on page 6 of your brief, quoting from its story by Mr. R. W. Brown, vice-president in charge of production of the *Montreal Star*, in the second paragraph of it, he says: "Better working conditions, a shorter work week, reasonable ceilings on wages and increased productivity will result from management-labour co-operation in instituting plant automation . . ."

It is that phrase "reasonable ceiling on wages"; I would expect to see in a publisher's brief, but not necessarily in an I.T.U. brief.

Mr. Heritage: We are quoting from the Vice-President in charge of production on a statement he made to an Automation Seminar. We are certainly not going to be like the news media and edit his statement.

We just put them in as they are—factually.

Senator Everett: Touché. But you are not endorsing the statement.

Mr. Heritage: No, putting it in the brief doesn't mean we are endorsing his statement. We are just quoting verbatim.

Senator Everett: On page 12 of your brief, item 33, you make the point:

"It would appear that there might be a greater hope for expansion in the number of newspapers in Canada if it were not for restrictive nature of the wire service franchise."

I believe you were earlier quoting from the *Ottawa Citizen*. I suppose you read the point

just after the item you were reading, headed CP membership. The article says:

"No applicant for membership in The Canadian Press has been turned down in the last 35 years, John Dauphinee, general manager of the national news co-operative, said today.

Dauphinee said:

"The CP bylaws state that membership in the co-operative shall be open to the widest extent compatible with the expectation that the newspaper to be represented can be established and maintained as a self-sustaining business enterprise."

Would you care to comment on that?

Mr. Heritage: Since my colleague, Mr. Duffy, has done the research on that, I will pass this question on to him.

Mr. Duffy: I think that our reason for placing this in the brief is in line with our thinking that we would rather see more newspapers than less, and hopefully that it might encourage people who have the wherewithall perhaps to get started in the newspaper industry, that is, the money to finance the equipment and the staff, and perhaps a place to produce the paper, that they should not be restricted by the terms of the franchise from the Canadian Press.

Canadian Press is a co-operative to the extent it belongs to the publishers of newspapers, and it is quite apparent that in any city where there is an existing publishing operation going on, that it's not always an open door to come and start a newspaper.

You have a closed shop to that extent, and perhaps they like to keep it that way. The suggestion in our brief is that it would take a long time. You just don't ask for a franchise from the Canadian Press.

In many cities, the existing franchises are owned by newspapers who do not operate the papers that they are entitled to operate, for instance a morning and evening newspaper in many cities. They own the morning paper franchise, but they don't use it. It is not the simplest thing in the world, as I understand it, for a publisher to secure a franchise in that city.

Senator Everett: So there is a difference of opinion there, between you and Mr. Dauphinee.

Mr. Duffy: I am not suggesting that anyone ever was refused, but if you take into consid-

eration the cost, and the time required to earn this particular franchise, it might take a year to get this franchise, in our opinion anyway.

Senator Everett: Have you any evidence to support that contention?

Mr. Duffy: It is long ago and far away, but we did make an attempt to start a newspaper in Hamilton, and at that time...

The Chairman: When was that, Mr. Duffy?

Mr. Duffy: In 1946.

Senator Beaubien: Who tried to start the newspaper in Hamilton?

Mr. Duffy: The local union in Hamilton.

Senator Everett: The A.N.G.

Mr. Duffy: No, the Typographical Union local.

The Chairman: It was the I.T.U. that tried to get the franchise from CP?

Mr. Duffy: As I say, it is long ago and far away.

The Chairman: Mr. Histed, do you want to talk about it?

Mr. Histed: I happened to be president of the *Hamilton News* at one time, an honorary title with work with no pay, but we did start the *Hamilton News* as a three-time week paper. Eventually we sold it to Andy Peller, who had run Peller's Brewery and sold it, and then had some money. He bought the *Hamilton News* and started a daily.

It was true he was not denied Canadian Press, but what it would cost him to get it and pay for it three years in advance, as we understood, as he reported to us, would run about \$200,000. This would make it prohibitive and he was unable to do so, and this was our understanding of how we could get Canadian Press.

We believe this is a deterrent against other people getting into the newspaper field who might desire to do so.

Senator Prowse: What about the *Times* in Vancouver. Wasn't there an attempt to carry on one of the papers there by the union in Vancouver.

Mr. Histed: No, I don't think so—not prior to that period. Roy Thomson, Lord Thom-

son of Fleet, owned the morning paper, and that was sold, but the *Times* was...

Senator Prowse: There was a new one.

Mr. Histed: That was the new off-set plant, yes, that ran for some months and then ran out of money because of lack of advertising.

Senator Prowse: But they did get C.P.?

Mr. Histed: Not to my knowledge.

Mr. Fortier: Our information is that they did.

Mr. Histed: All right.

Senator Everett: Was the *Winnipeg Citizen*—was the I.T.U. involved in that?

Mr. Histed: No, that was a sale of stock. I bought stock, and many union members throughout Canada bought stock, as well as business people.

Senator Everett: Were they able to get a CP franchise.

Mr. Histed: Not at that time, I do not believe. I think they got U.P.I. one of those small wire services. They could not afford the bigger ones.

Senator Everett: Mr. Heritage, you made the statement I think just recently, that your locals have complete autonomy.

I am referring to the Book of Laws of the International Typographical Union.

One of the sections on page 34:

"Subordinate unions are required to submit to the International President for review and approval, as complying with requirements of International Union laws, all proposals for a new contract, alteration, amendment or extension of an existing contract in duplicate before presentation to the employer."

"Section 4. No local union shall sign a contract guaranteeing its members to work for any proprietor, firm or corporation, unless such contract is in accordance with International law and policy and approved by the International President."

I won't bore you with any more clauses, but there are a series of clauses that appear to me, with my lack of knowledge of these matters, to derogate from the concept of local autonomy.

Mr. Heritage: These contract proposals of course, we have a very important function in

that, and we feel that we have always in the 118 years tried to stabilize the industry and equalize conditions in the industry. So the convention, and the members voted on it, set conditions that all locals must follow, and therefore all contracts must be submitted, not on economics.

We don't touch economics, because this is strictly local economy according to the geographic location, and what they want to work for. But on matters of a general nature that affect the industry as a whole, the contract department advises the local on what is happening, what arbitration cases have happened on certain clauses, and advises them to change it.

It is the same when a contract is negotiated, it is submitted to the contract department to see that these rules and regulations have been met.

Senator Everett: But surely that is a form of interfering with local autonomy.

Mr. Heritage: We don't consider it an interference with local autonomy. You have rules in all associations that you go by, even the publishers follow A.N.P.A. suggestions, or CONPA suggestions.

If the local doesn't want to accept those, of course, they won't get an approved contract. It is as simple as that. Just not an approved contract.

Senator Everett: And what does that mean. What is the effect of not having an approved contract.

Mr. Heritage: The effect of not having an approved contract is that then they have made this decision on their own, and they have to live with the effects of that contract. This has happened occasionally where they agreed to a contract that couldn't be approved, and of course anything that would happen during the term of that contract, they would be responsible for.

Senator Everett: They would get no help then, from the International Union.

Mr. Heritage: It could get to the stage that they would not get any help under the law because they broke the very rules that they voted on, and accepted.

Senator Everett: We are not arguing about the acceptance of the rules by the union initially. We are talking about local autonomy. The sanction seems to be that if they break

one of these rules the International Union does not then support them.

Mr. Heritage: This could happen, but this never has happened.

Senator Everett: I assume it has never happened because they have always submitted the contracts.

Mr. Heritage: Well, no, it has happened, and no one has been penalized, but you have to have some rules for an organization. You have to have some guidelines and if of course, they went completely out of line, you have to apply sanctions.

Otherwise, why have them affiliated?

Mr. Fortier: Doesn't in fact Colorado Springs have a right of veto over any contract that is submitted to them from any of the Canadian locals.

Mr. Heritage: Depends on what you mean when you say "veto".

Mr. Fortier: Don't they have, following the articles which Senator Everett read, is it not a fact that if, after submission of a proposed contract they see fit for any reason, and I would question whether economics would be excluded, if for any reason whatsoever they said "No, you should not accept those terms," can they not effectively veto the local's acceptance of the contract.

Mr. Heritage: How can they veto it except by lifting the charter.

Mr. Fortier: Well, they can refuse to approve the contract. That is tantamount to a veto, is it not?

Mr. Heritage: We have had local agreements in Canada before. We have local agreements with the *Toronto Star* for several years. We still have agreements where the union is treading on dangerous grounds if they get in trouble. They are living under conditions that are not equal in the industry, and the I.T.U. can veto it, but they haven't.

If you say "veto" it means that they tell them that they can't sign it. They have not said "you can't sign it", they say, "If you sign it you do not have our approval, and then you are taking a chance, you are on your own."

It's as simple as that.

The Chairman: Mr. Histed, were you going to add something, or were you not.

Mr. Histed: I didn't want to interrupt.

The Chairman: If you wish to add something, you may do so.

Mr. Histed: I think Mr. Heritage has answered the question. It is just simply a matter that it is a part of our laws, made by our members, that they must submit the proposal to the International for approval. It is done by the Bureau of Contracts under the name of the International President, and it is checked to see whether it is within our rules and regulations.

If it is not, then they are told that this should be changed to comply with it. But economically, no.

If they want to work for .80c. an hour, and it doesn't violate law, there is nothing the International can do to stop them.

Mr. Fortier: If the members of the local, say, in Ottawa are prepared to work, as you put it, for .80c. an hour as compared with the going rate of, say, \$1.50 an hour...

Senator Beaubien: \$1.50—\$3.50.

Mr. Fortier: What would happen in Colorado Springs. Would they really approve it?

Mr. Histed: The International officers have no right to refuse to approve a contract negotiated proposal that is in compliance with our laws, and we have no laws as to the economics, that is, how much an hour.

Mr. Fortier: Not exactly, except that the booklet from which Senator Everett was reading does say that it has to be approved by the International, so that the International theoretically could choose any item and decide to refuse its consent.

Senator Prowse: Mr. Chairman, could we be specific about this so that we can get it into an area where we are not talking about hypothetical things, where nobody knows what we are talking about.

Could you give us a specific kind of an instance, something that might be included in a contract by local people where, in your opinion the headquarters would say "no". What kind of thing would they say "no" to.

Mr. Heritage: It would be an item in the case of where it would give one paper unfair competition over another newspaper.

Senator Prowse: There aren't any certain things, when you say "law"? Each case would

be decided on its own merits in view of the competitive situation?

Mr. Heritage: No, we have a set standard form of checks.

For instance, check items which must be met which are set by the membership in convention every two or three years, or by referendum vote depending on the item, and the contract department under the executive council enforces this convention action. Our aim is to stabilize the industry and have equal conditions across the country, so that all employers are competing on the same restrictions as other employers, and our members are all enjoying the same basic working conditions in the area of five-day week, and things of this nature.

When it comes to economics, such as vacations, wages, this is left to the local union based on their geographical location and what those members are prepared to fight for. We can't tell them that they must fight for \$5. an hour, or anything else.

Senator Prowse: Specifically, let's say you have a situation where you have a city with two newspapers. You had an agreement with one that provided three weeks holiday with pay, after an appropriate period, and then the second contract came in and they were going to provide two-weeks holidays, with pay.

Would that be the type of thing that they would disapprove.

Mr. Heritage: No, this is happening right now.

Senator Prowse: Well what I want to know, and I think I have to know, to understand what you are talking about, is what specific kind of item in a contract would give headquarters under your laws the right to say "no, we won't approve."

Mr. Heritage: For instance, "a full shift clause", where we say an employee can not be employed for less than a full shift. This is standard throughout our industry.

Senator Prowse: If you call them in, you have to pay them for eight hours.

Mr. Heritage: We say work—he must work—for eight hours.

Things of this nature to equalize conditions across the industry, or a restriction of, for instance, only allowing employers to use C.P.—Canadian Press—tape, rather than encourage another wire service to come into Canada such as the U.P.I. or A.P.

Why would we give it to one employer, if we were not going to give it to all employers, and things of this nature, that would restrict the conditions so all employers are treated the same.

Senator Prowse: This for the protection of the employers, or through the employers, for equality in the industry.

Mr. Heritage: And our people too, of course, not only with respect to employers.

It is equalizing conditions in the industry. Don't forget in the I.T.U., we have what we call the travel card system, where we supply the help, and when an apprentice finishes his time he usually goes on to another city. But it also equalizes the conditions so that he knows that he is going to move into the same basic conditions—not wages or economics, vacations, etc., but the basic working conditions of the span of hours between a certain time and the full shift clause and limited outside wire services—things like those.

Senator Everett: I have here a document that is called "Sample Contract—Canadian".

Are you aware of that document?

Mr. Heritage: Yes.

Senator Everett: I would like to read some clauses from it:

"Section 3, Unless otherwise specified in this agreement, all type setter tapes shall be perforated by journeymen, or apprentices covered by this agreement."

If I understand it correctly, this can be done, especially if there is a computer to justify, by an ordinary typist. Is that correct.

Mr. Heritage: No, we don't believe it can be, because we take the position that they have to be trained, and know type setting and have a background of printing to be able to do it properly.

You have to know the end result, with any computer, before you put the information in.

Senator Everett: Why?

Mr. Heritage: Because in the newspaper industry it is a case of depending on the copy you are handling. If you are coding, you have to know the coding. The computer can't just take the tape unless you are going to code the tape.

It has to be coded to tell the computer what to do, and the printer knows this.

Senator Everett: Doesn't the coding take place by the very act of typing.

Mr. Heritage: Yes.

Senator Everett: It is an ordinary typewriting keyboard, isn't it.

Mr. Heritage: It is an ordinary typewriting keyboard.

Senator Everett: If you punch those keys in the way you operate an ordinary typewriter, the tape comes out and then it goes into a justifying computer, and is justified.

Mr. Heritage: Yes, provided the codes are on, and, like I say, a printer knows better in our experience, than an ordinary typist.

Senator Everett: Isn't this part of the problem in the *Ottawa Citizen*, dispute.

As I understand it, the perforated tape operators there are part of the American Newspaper Guild.

Mr. Heritage: That is correct.

Senator Everett: Would they be journeymen compositors.

Mr. Heritage: No.

Senator Everett: What would they be, Mr. Heritage, just ordinary typists.

Mr. Heritage: Well, they got some of their people from Canadian Press. They have some ex-telegrapher operators. I don't know what all their people are.

Senator Everett: But they would not be compositors?

Mr. Heritage: No, I think you are missing the point, too. It goes beyond just perforating for news. News matter is different than when you get into ads.

When you get into ads, it is more complicated because you have different codes and you have to know ads to do it, and this is the area that we are basically concerned with in the *Ottawa Citizen*.

Senator Prowse: In other words, an untrained person could do the news column while he couldn't to the ads.

Mr. Heritage: Not entirely untrained. You still have to train these people. You just can't bring a typist out and sit her at the typewriter and even although they have sixty or seventy words a minute expect them to be able to perforate tape.

Senator Prowse: The machine isn't that good yet.

Mr. Heritage: It isn't that good.

Senator Everett: What about classified advertising.

Mr. Heritage: Classified advertising comes in the same line as the news matter.

Senator Everett: And you say you are not concerned with those employees who are involved in that.

Mr. Heritage: Oh, yes, we are very concerned. Of course, we have a problem, the fact that the Newspaper Guild some years ago, while we had our dispute on at the *Citizen*, organized the perforator operators and the proof readers. Of course when you apply to the Labour Relations Board, even though we had a history of these people being a part of our unit, they would not allow us to carve out this unit out of an already existing industrial unit, so this is a problem.

I think, however, it is going to be a problem for the newspaper when they go into ads too, if it still exists.

Senator Everett: The Labour Relations Board has made the decision on this case.

Mr. Heritage: Only on the basis of the present employees and the work they are presently doing, which is news matter and classified ads. They have not gone into ad setting yet.

Senator Everett: Presumably those employees don't do ad setting.

Mr. Heritage: Not at the present time.

Senator Everett: What is the position of the I.T.U. in relation to the Ontario Labour Relations Board's decision. You are not accepting it.

Mr. Heritage: We have not taken a position actually on it. We are trying to find a solution to it in negotiation. This is what we are trying to do at the bargaining table.

Senator Everett: If you succeeded in having these people being part of the ideal bargaining unit, would you replace them with compositors.

Mr. Heritage: This is something I can't say.

We certainly would not intend to replace anybody if they became part of the bargain-

ing unit, they would probably be up-dated on training so they can perforate ads.

Senator Everett: To bring them up to...

Mr. Heritage: To bring them up to the standard required for the setting of ads, but we can't comment on that because of the fact that the Labour Relations Board has made a decision and the only way we can probably work it out is at the bargaining table.

Senator Everett: Well, you are free to comment in here. There is nothing to prevent you.

Mr. Heritage: When you are bargaining, you don't comment on what you are going to do at the bargaining table.

Senator Everett: Would they become apprentices, then.

Mr. Heritage: Again, I say, this is something that if I tell you what they will become, even though this is confidential in here, there is enough people who will take it back to the company and tell them what our position is going to be, or our solutions to the problem.

The Chairman: Well, you should be clear, it is not confidential in here. It is privileged.

Mr. Heritage: I mean, it is not confidential, it is privileged.

Senator Everett: The clause goes on to say:

"No tape perforated by the employer under this contract shall be transmitted by wire, or sent elsewhere."

Why do you insist on that?

Mr. Heritage: Well, the whole point is that if we allowed them to transmit it elsewhere, then you would be reducing the number of jobs in the industry, because you would have one employer sending stories to the rest of his chain of newspapers.

We allow them the Canadian Press tape, and we feel that that is sufficient to allow them to set up more tape operations where they could, possibly the group newspapers would have an advantage over the independent newspapers because they would perforate their stories here in Ottawa, and send them over a private wire on the group basis.

We don't want to encourage more tape operation. Otherwise, it is going to eliminate our job opportunities.

Senator Prowse: In other words, you could have one fellow sit and type...

Mr. Heritage: That's right, and how about the independent newspapers. They would not have this advantage. That is a big problem too.

Senator Everett: What about the wire service coming into the newspapers, then. Do you permit the tapes there to go on the composing machine.

Mr. Heritage: Canadian Press, we do. We recognize all the employers who use Canadian press.

Senator Beaubien: No other tapes they can use?

Mr. Heritage: They don't use any other tapes.

Senator Beaubien: You don't allow them to use any other tapes.

Mr. Heritage: Not under our contract.

Senator Everett: What about, say, Washington Post Service?

Mr. Heritage: This usually comes over Canadian Press.

Senator Everett: Can you think of any situation where there is a tape produced by the Service that you don't allow the employer to use directly.

Mr. Heritage: There might be a sports wire, or a stock market wire on the stock exchange that has been used.

Senator Everett: The U.P.I.?

Mr. Heritage: No, I believe most of that comes over Canadian Press too. I believe the Toronto papers have a direct wire from the stock exchange.

Senator Everett: The Herald Tribune Service?

Mr. Heritage: No, not in tape form, they get it in hard copy—telex.

Senator Everett: But if there were, you would only allow the Canadian Press service to be used.

Mr. Histed: I don't want to interfere with Mr. Heritage's description here, but there are some cases where, the Montreal Star has the contract right to use U.P.I. wire tapes on the New York Stock Exchange.

We negotiate that in.

Of course, the big thing in this matter is—this question of teletypesetter tape is—after all, we are representing our members and their jobs, and we naturally are not anxious to try and give away our members' jobs and put them out of work. But there are, to be specific on that point, cases where if the local union will agree, the International has permitted the local union to agree in the case of the Montreal Star to use this U.P.I. stock market from New York, and in other cases for the Canadian Stock Exchange over the Canadian Press.

Senator Everett: But if they don't agree, then they would have to re-set it.

Mr. Histed: If the local union won't agree, if they are concerned that it will cost them a lot of jobs, they have a perfect right to refuse to agree to it.

Mr. Heritage: On that point, on the stock exchange, we have a lot of it, because in Montreal there was the particular problem, they couldn't get the stock markets over the Canadian Press.

Senator Everett: What is the concern of the I.T.U. in a situation like this. You say it is to protect the jobs of your members.

Mr. Heritage: And also to equalize the industry. I think I gave an example that if we allowed unlimited use of tape, imagine what the group organizations could do to the independent papers.

They would have this advantage, and the independent papers would not have this advantage, would they?

Senator Beaubien: The independents could buy it—they could buy a tape just as well as anybody else.

Mr. Heritage: Buy it from the group organization, could they, if the group organization didn't want to sell it to them.

Senator Everett: I think we are more concerned about your protection of your members than the protection of the publishers, so if we can deal with that, because I am interested in this, you use the word "job protection" and I notice in resolution 19:

"Local unions give special consideration to the following contract proposals as an essential part of the program for protecting these jobs and security of our members".

And in item (B) of the resolution "Job protection clauses to protect jobs of members employed at time of introduction of computers, other labour saving processes, and the use of outside tape";

Tell me, are you concerned about the protection of the job, or the protection of the employees' job.

In other words, is it the continuation of the function that you are worried about, or the individual employee, so long as he lives or works for that particular journal.

Mr. Heritage: I think both, actually, because we certainly don't agree attrition is the answer to automation, if this is what you are getting at.

We believe in both the protection of the job, and stabilization of the industry, and we feel that this does stabilize it.

We have gradually modified our position as we feel in the industry it requires modification. We have changed many of our traditions on the matters that were sort of called "sacred cows" of I.T.U., or this is what they were called in the press.

We have changed these as changes in the industry and evolutions in the industry have come about, and we have realized we have had to change it.

We are not against it, provided it is going to affect the industry as a whole, but we are not going to give consensus to one employer that we aren't prepared to give to the other.

Senator Everett: So if an efficiency came into the industry that all journals could take advantage of, you would be only concerned with protecting the employees who were there at the time, not concerned at that point with protecting the job.

Mr. Heritage: We would have to take a very hard look at it, the same as we have with any other type of evolution that came into our industry.

Senator Everett: How would you decide that?

The Chairman: Mr. Earles, do you want to say something?

Mr. Earles: If I may, my answer to the specific question would be, if the work is being done, regardless of the way it was being done, was traditionally the jurisdiction of the International Typographical Union, or

the local union, if that work was continued to be done, we would be concerned about that work.

If the work disappeared—we have not fought this anywhere in automation, but whether it is on tape, or whether it is on copy, or whether it is on type, it is being set by somebody, and if it comes in on a television camera, or whatever, it is still setting type for printing, which is traditionally work we have had jurisdiction over.

But if that work disappears completely, then I would say—no, we are not concerned. We have not fought it anywhere down the line.

Senator Everett: I am referring now to Section 22 of the contract which says:

“The interchanging, exchanging, borrowing, lending or buying of matter, either in the form of type of matrices, between newspapers, between job offices, or between newspaper and job offices, or vice versa, not owned by the same individual, firm or corporation, and published in the same establishment shall not be allowed unless such type or matrices are reset as nearly like the original as possible, made up, read and corrected and a proof submitted to the chairman of the office.

“Matrices, plates, cuts or type of local advertisements, or other local matter furnished to newspaper offices, may be used by such offices, provided such matter shall be reproduced as nearly like the original as possible within the time limit specified herein.

“The time limit within which borrowed or purchased matter, or matrices, are to be reset shall be — days from date of use.”

Could you comment on that?

Mr. Heritage: I expected that question to be asked.

Senator Everett: Incidentally, I have taken it out of context.

Mr. Heritage: This has been a subject that has been bandied around in the press, and the terminology, I believe, was used was “feather-bedding” in our industry.

This reproduction was started back in 1871, and it was a mutual agreement between the I.T.U. and the employers, to allow them to

borrow type of an ad that was set by another employer for a case of expediency, so they would not have to set it themselves and they charged the advertiser the full price for the ad, even though they didn't have any labour costs involved.

In fact, we have a brochure on this that was put before the Supreme Court in the United States where it was challenged, and it was upheld that it was legal for it to continue.

Now, I would like to say, in this area this was a source of job protection. After all, we contract to do all of their composing room work, all their typesetting. The employers wanted the right to borrow tape for expediency sake, to use that ad immediately, and they agreed in return for this so we would not lose our job opportunities, and after all, they were not charging any labour costs for it, but they were still charging the full cost of the ad, in return for this they said that it would be re-set by our members at a later date, so in that way there were still job opportunities.

Rather than laying people off, our people would re-set these reproductions.

Now, this has not been carried on since the war years because of a shortage of help in our industry. This has got to the point where in 1960, (and I was part of the committee that investigated this) the convention recommended changing it, but after all it was an emotional issue; this was a deterrent to employers laying people off. After all they were getting ads in the form of mats rather than type, with no labour costs involved and they would use them.

Two newspapers would exchange it between each other, taking turns. There was no labour cost involved and they were getting the advantage of a mat put in the other paper.

In this investigation, we found out that less affected by it, and of that ten per cent, very than ten per cent of our newspapers were few of them—in the United States and Canada—very few of them were hardly that much affected. It was mostly used as a deterrent.

At our recent convention just last year, in fact, we have given the option, and because it is an emotional issue with our members because it is a deterrent to job losses and lay-offs, and advertising time, however, the convention approved that the local union has an option now to negotiate on reproduction.

If they can get something in return that is equal in security, either in the way of a combination of pensions for the older people so that it will induce them to retire earlier, because of automation coming in, or in the way of jurisdiction over new processes that will provide job opportunities, and this has been relegated to the local union to negotiate.

This is what I said earlier. When it becomes necessary to meet a change in conditions and items that have been called "sacred cows" by the press and by newspaper publishers, we try to meet it, but the membership have to approve this.

In fact, reproduction went to a referendum vote of our members, and if you understand our laws, since you have read them, you will understand when we say a referendum vote, it doesn't mean that they go out to a meeting to vote. The ballots are taken into the shop, so we almost get a 95 per cent vote on our elections on any items of this sort.

It was rejected after the 1960 convention, but at the last convention it was passed that this is now subject to local negotiations as long as they can get something in return that is equal in security, or deterrent to lay-off, or pensions, or a combination formula.

So, does that answer your question?

Senator Everett: It does indeed.

The Chairman: Senator Everett, I don't want to terminate the questions, and I know Senator Beaubien has a question, but we have another witness waiting.

Senator Beaubien: You say you re-set the type at a later date?

Mr. Heritage: This was the practice.

Senator Beaubien: What would you do with it then—throw it away?

Mr. Heritage: Yes.

Senator Prowse: This was to measure the amount of compensation.

Mr. Heritage: Don't forget, and this is what people seem to forget, that this was an agreement between the employers years ago, and a practice accepted in the industry to allow the employers to do something that wasn't allowed under the terms of the agreement. In other words, to use type from another employer.

In other words, they are charging the advertisers the full price, so the point is they should pay the full price in labour costs.

Senator Prowse: Otherwise, they could have the whole paper printed over there.

Mr. Heritage: With the modern techniques, this could happen.

Senator Everett: I will be as quick as possible, Mr. Chairman.

Section 5:

"The operation, authority, and control of each composing room shall be vested exclusively in the office through its representative, the foreman, who shall be a journeyman member of the Union, etc. etc."

Doesn't that run counter to most labour relations Acts. Isn't the foreman excluded from the bargaining unit?

Mr. Heritage: In industrial unions, yes, but not in many craft unions, and the history, if you read the history of the I.T.U., foremen have always been a member of the union because they are protected.

If they lose their job as foremen they still retain their priority in the composing room, and they just go back on the floor.

In fact, we still have publishers who retain their I.T.U. membership, production managers who retain their I.T.U. membership.

It also helps too, many times a foreman who has been an I.T.U. member (and many foremen have been past-presidents of local unions) understands the contract better, and understands the I.T.U. regulations better.

Of course, for some people it is hard to accept, because they are used to the industrial contract.

Senator Everett: Do you think that contributes to efficiency, or inefficiency?

Mr. Heritage: It contributes to efficiency for the simple reason that we also put in the laws that no foreman can be disciplined by the union for any action taken under the instructions of the publisher.

In other words, if the foreman does something against a fellow member, and they take charges against him, any appeal that has gone into our International has been upheld on the part of the foreman because after all the grievance is with his employer, not with the foreman. Therefore we have found it has worked out.

Senator Everett: Is that in every I.T.U. contract, that clause.

Mr. Heritage: Yes, it is.

Senator Everett: I am reading from the Financial Post of March the 8th, 1969. I will just read a very short part of it:

"Productivity per employee in Canada's printing and publishing industry was 27 to 30 per cent lower than that in the United States industry in 1961 to 1965. "Newspaper publishing and printing have a much greater weight in the Canadian industry than in the U.S. "More than three-quarters of industry output in Canada consists of newspapers against roughly fifty per cent in the U.S."

So it would seem, if the statement is true, the lack of productivity is in the newspaper area.

Would you care to comment on that?

Mr. Heritage: Yes, Senator Everett.

Don't forget, in the United States they have gone into new processes much more quickly than the Canadian newspaper industry, and I think the Canadian newspaper industry, rightly so, has taken a "wait and see" attitude because our industry is changing so fast, and the equipment today, say, this year, is out-moded tomorrow.

But I think you will see the picture change because of the changes in the Canadian newspaper industry in the last year. We have been told of some of the plans that are on the drawing board. You are going to see a complete evolution in the Canadian newspaper industry in the way of computerized type setting and photo-composition—so this could be the explanation for it.

Senator Everett: The publishers suggest it is the I.T.U.

Mr. Heritage: I don't know what publisher is suggesting that. I would like to see some proof of that.

Senator Everett: Do you dispute that statement?

Mr. Heritage: I definitely dispute it, and there are other publishers that will, and I think you could check with some of them.

Senator Everett: You have some in your brief here.

Mr. Heritage: *Le Soleil* is a good example where they found that through re-training and co-operation with the union that they have got a very efficient operation, and many

of the employers across the country and from the United States have gone down and viewed it.

Senator Everett: The last question, which I am sure you expected, is to ask you for comments on the Pacific Press dispute.

Mr. Heritage: As I said earlier, we have local autonomy, and I want to make it clear that the International has not been involved in the Vancouver situation except to the extent of trying to find a way to get the thing back on the rails.

There are five unions involved in Vancouver, and it has been a local situation. We have advised our people there that we do not condone any alleged actions that have taken place, or any actions that they are charged with, and we could not be a party to it, and we have made it very clear to the men.

The employers know this too, and the employers have not, in the Vancouver situation, held the International responsible for it.

Senator Everett: If the alleged actions—do you propose to investigate—I assume you are talking about the slow down.

Mr. Heritage: Well, I understand that they have said that there have been slow downs, etc.

Senator Everett: But I assumed that is what you were referring to.

Mr. Heritage: That is right. This is a very delicate situation for the simple reason when the International steps into the picture we are damned by the press that we are interfering in Canadian affairs. Even if we are requested in by the employer, we are damned by the labour movement, so the most important thing to us is not to comment too greatly on it.

The most important thing is, how can we find a solution. How can we bring them back to the bargaining table, and try and get the matter settled.

There might have to be drastic action taken by the International—but you hesitate. We have not been asked by the company to intervene. We hesitate for this very reason.

You are going to be damned right off the bat with the fact that you are an International union, and you are dictating to a Canadian local.

Senator Everett: Would you intervene if the companies asked you to?

Mr. Heritage: We certainly would; no question about it.

Senator Everett: Thank you.

Mr. Fortier: Mr. Heritage, you say in your brief, item 26, "that tremendous changes are yet to come". That is the official position of I.T.U. and that is with respect to technological changes.

You go on and say:

"That our members should be prepared to accept these changes and trained to perform in a new era that will see the printed word continuing to be the chief means of disseminating news in the mass media."

Bearing in mind this statement, and also the explanation which was given by Mr. Earles, that as long as it is setting it doesn't matter if it's type, tape or copy, you claim jurisdiction over the person performing that job.

Mr. Heritage: Yes.

Mr. Fortier: Is the International Union in Colorado Springs taking any means of meeting head on the advent in the foreseeable future of a facsimile press?

Mr. Heritage: Yes, we are already involved, I believe the *Wall Street Journal* has this operation, and we are involved in this field.

For instance, we are very much aware of the speed of setting type; for instance, in the commercial industry, the video computer set the complete Manhattan telephone book in one hour from a by-product from telephone records.

We are aware of all these new sophisticated pieces of equipment. Facsimile transmission—of course, we are very much aware that this is coming in a very short period of time. Mind you, the cost is prohibitive in many areas.

Mr. Fortier: Your position is that the setting element will not disappear.

Mr. Heritage: No, we don't believe it will. It will be done through the electronic methods but it still has to be done.

You still have to have something to transmit.

You have got to have a page to have the electronic process pick up the characters on the page and transmit it.

Senator Macdonald: Back to your original statement, Mr. Heritage, I believe it was when you were reading from the report of the *Ottawa Citizen*, you mentioned you did not blame the reporters for not giving a wholly accurate account of what went on.

Now, if you didn't blame the reporters, do you mean to say that it was after they put in their story that the copy was changed by someone?

Mr. Heritage: Just going from my understanding of the newspaper industry, which I have been in approximately 18 years, any story probably has to meet the approval of the editor before it goes in, and I am not blaming the reporters entirely.

I am just saying that this is a fact that the story came out this way. Maybe it was the reporter's interpretation of it, but it was a written brief and surely the reporter could not go wrong in a written brief.

Someone must have edited it, and where would it be edited?

I just made the statement, we are not blaming the reporters, but possibly it was the policy of the paper that they felt this was the way it should come out.

Senator Prowse: Maybe someone said, "what will we do with this?"

Mr. Heritage: I don't know the answer, but I don't want to blame the reporters because I feel they are trying to do a job, and they write as they see the news.

But, in a written brief, the news was there, so someone must have instructed someone to edit it.

Senator Macdonald: Perhaps the reporter did it on his own.

Mr. Heritage: I don't think the reporters do that. They might interpret the news different, or the facts different from other reporters, but I am sure when the story is in print and it goes back, someone else instructs the editing of it.

Senator Macdonald: So you think there was someone along the way.

Mr. Heritage: There must have been, because it did not come out the way it is in the printed brief.

The Chairman: Mr. Heritage, on behalf of the committee, I would like to thank you for asking to come.

We had considered earlier, in drawing up our schedule, asking you here.

Our problem, of course, living in real world, is to hear as many viewpoints as we possibly can, and in a reasonably limited amount of time, but in a study of this kind we really do a disservice to ourselves unless we have a balanced presentation. We want to hear of course from publishers, and owners, and other people in the media. We want to hear, as we are, from communicators with national reputation, and certainly from the public. But as well, I think it is important that we hear from producers, if I may use that term, like yourself—the people who are really on the action line, as it were, and we are grateful to you for preparing the brief and for coming.

As I said to so many other groups, not just union groups, but publishers and others, having been here and having seen the committee, now that you are leaving, if in the course of the balance of our deliberations, or if indeed in deliberations you are going to subsequently have, if there is additional information you would like to send us which you think might be useful, we would like to hear from you. It may be that we will have further questions for you which we may want to put to you—perhaps privately, in a letter.

Mr. Heritage: Thank you, Mr. Chairman, and Honourable Senators.

It is certainly a pleasure for us to appear. As it was said earlier, we had not intended to appear except that we felt that when we had been mentioned in presentations we perhaps should appear to clear the record, and answer any questions the senators might have.

We do not have many booklets which we have brought. In fact, in the United States free and competitive press situation, we wrote a complete submission entitled "Federal Responsibility for a Free and Competitive Press." It was presented before the Antitrust Subcommittee of the House Committee on the Judiciary Investigation of Monopoly Practices in the Newspaper Industry.

Unfortunately we haven't one on Canada, but possibly because of your special Senate Committee here we may have to go into the Canadian aspect too.

The Chairman: Could you leave those with us.

Mr. Heritage: Yes, and also we have, in answer to comments of the newspaper industry, graphic arts unions against automation, our former president, Elmer Brown wrote the booklet "Graphic Arts Unions and Automation—a pamphlet that faces up to the changes and evolutions of the industry and we would be prepared to leave a copy of it as well.

The Chairman: Thank you very much. May I again thank you all.

Honourable Senators, if I may call this session to order. The next witness is another one in a series—a phrase I have used, in any event, Ken, is "nationally known communicators", which includes such illustrious people who have been here as Doug Fisher, Charles Templeton, and people who are yet to come like Dalton Camp and Pierre Berton and others I could name.

I would say to the Senators it is perhaps not necessary for me to read the biography of Mr. Lefolli, which has been supplied, and which I think most Senators have probably studied.

Perhaps I need only say that he is one of those remarkable Canadians who have in-depth experience in various branches of the mass media.

He has been, as the Senators know, an editor of *Maclean's*. He has been a television producer and a commentator on both the private network and on the CBC. He has done a great many things which will interest us greatly, including most recently, of course, a month, from which he has just returned, spent in Vietnam.

He is also writing a book, with which I think the Senators are familiar, not just on the communications industry but more specifically on the press.

In short he is the kind of person that I think has a great deal to offer a Committee like this and this is why I am so delighted, Ken, you could find the time and we appreciate you coming down.

You have no formal brief and may I suggest this procedure. I suspect you do have some notes and perhaps you can make an oral statement of whatever is on your mind and then we would like to question you on your statement and other things.

Mr. Ken Lefolii: Senators, if it feels as late in the evening to you as it does to me you may be glad to know that my notes occupy one page in this small book.

I come here wearing two hats: as a working journalist I come to respond to questions you might have. I come here also as a critic of the press.

I put myself forward in this capacity only because there are next to none of them in this country and there are few in the English-speaking world.

It has always struck me that journalists take themselves far too seriously and their trade far too lightly.

My daughter speaks of people who go on "ego trips" and it seems to me that most of what we hear about freedom of the press is said by people who speak for their own egos, their prerogatives and positions and public stature in their capacity as something called a publisher or producer or journalist. They are not speaking with concern for whatever the function in a democracy of a free press might be.

Now I have written a book about my notions, my understanding of the difference between the press we have today and what in classic democratic theory has been regarded as free press. I think these are two completely different things. If you would like an expansion of that thesis I refer you to the book.

The press is indistinguishable now, it seems to me, from the media; and the media are not the collection of pop names and trivia that most discussions of the media, as I have heard them, suggests to us they are.

One of the few theorists of the media, for whom I have a great deal of respect, is a man named Ivan Illitch, who is an educator. He works in Mexico City trying to understand the processes of education for this purpose.

He is convinced, as indeed I think anyone who studies economics must be, that Latin America will not in our time generate a large enough economic surplus to install a school system as we in North America know. There are more people living in Latin America than in North America and he is looking for ways, devices, institutions, methods, means to educate the generation or generations of Latin Americans who in the ordinary economic fact will never get a chance to go to school.

He asks the hard question: If you have not got schools, how do you teach? If there are no schools to go to, how do kids learn?

It is his understanding—and this is one of the important thinkers in the world today—it is his understanding that what we call the media offer a solution if ways can be found to use these media.

Central to his position is this understanding in cultural terms of what the media are. They have replaced, as the main stream of transmitting cultural and social values, the church, which did this for us in the Middle Ages and before; and the schools which have done it in what we call the modern era, 19th and 20th centuries.

Now that is an intellectual's theoretical understanding.

In the last year I have been getting letters from ordinary audiences from very ordinary, believe me, television programmes. They say the same things to me from where they sit.

If the Committee has any use for them I will be glad to give you copies. The people who write me say "I never got to university and I learned from watching public affairs on the television. I learn from reading the newspapers."

This same thing is apparent to some editors, some publishers, some broadcasters, some newspapers, daily newspapers. They are turning themselves from recorders of fires and how many people died in crashes on the highways, to a platform for carrying the written understanding of the way our society works.

Not all of them are doing this and none are doing it very successfully but this is what the good publishers are doing.

That is why I think you here are dealing with a question a good deal more important than perhaps you would say.

I think when the Prime Minister speaks of inflation and even pollution as being the essential problems for Canada, that there is a much more essential one and this is the issue of the institutions which carry the cultural tradition from generation to generation.

The ones you are examining I believe do this.

All right. My criticisms I will pass because you have heard a lot of criticism. I come here as a critic to speak of alternatives. The media

as a function right now has been condemned by the liveliest people in an entire generation.

I don't know a kid, including my own daughters, who believes a word he or she reads in the conventional daily newspapers or hears on network television. To tell you the damn truth, I don't blame them.

Any defence, or set of rationalizations in defence of their performance that the media put forward in the face of that condemnation strikes me as rationalization. Who cares? And maybe they are right. The fact is the people who will lead the moulds of thought in the next generation don't believe them.

Therefore since their trade is language it doesn't matter if they are right or wrong; their language has not communicated their rightness if they are right.

So what are the alternatives? Well, access is a central problem. The kids have concluded that the media are wrong because they have no access to them. They have concluded that this is a one-party press. I use "press" to stand for "media" here because the word, although it applied to a set of cogs and wheels and printed on paper, seems to be the best and shortest and most Anglo-Saxon word we have got for the business of putting ideas into circulation. So when I say "press" I mean television as well as the printing of newspapers.

This is a one-party press and inside the dynamics of the contemporary corporation it is going to stay a one-party press whether or not the publishers say it is open to everybody and indeed whether they practice this. Here is the important thing.

Five years ago I thought the *Toronto Telegram* was a lousy newspaper. I now tend to think it is a pretty good one; not because I have changed my mind but because the *Telegram* has changed its practices. It, like many of the good large city newspapers in the world, has been making itself into a platform.

It is almost like what the military men call a platform for weapons launching. They don't speak of aeroplanes or boats any more, they say "How stable is that platform for launching weapons?"

A good big city newspaper is a platform for carrying various kinds of contention, various kinds of understanding of the community that the newspaper seeks to serve. The *Toronto Telegram* has done a really extraordinary thing. It has transformed itself from what

seemed to me a simple-minded spokesman for simple-minded understanding—a "Board of Trade" understanding of the society it purported to serve, into a pretty good platform. Nevertheless, the *Telegram* is a large corporation, a large aggregation of capital and subject, as a corporation, to all the dynamics of corporate capital.

It is a member of a community which is very narrow and has very special interests and has one dynamic—growth. The contemporary corporation, as I understand it, and I have done a good deal of reading and a good deal of thinking on the subject and talked to a lot of people, particularly in the United States—the contemporary corporation is not in business primarily for making a large profit this year. It is not in business primarily to do any of the things the corporate statesman speaks of, like serving their community. It is in business to grow and economically that is a good thing for all of us.

But it makes any large corporation, whose product is one of the off-throws of the so-called media, it makes that corporation a member of a very special community; not ours, but the community of large aggregations of corporate capital.

The kids know this. They don't necessarily know it in the terms I am using but they know it. They know it is a one-party press.

The point is that it is not the Liberal Party, the Conservative Party or the NDP Party but the party of capital aggregate.

So the first proposition I have for you is to say (instead of trying to fight this organism which has grown up for good reasons) how can you adopt it or adjust it to its shortcomings as a producer of ideas, of communicated ideas?

It seems to me in precisely the same way that ownership is separated from control in the financial make-up of most large corporations that ownership could be separated from editorial control in the make-up of the media corporations.

In the conspicuous or spectacular fights that have been waged in Canada over such particular manifestations of the media as the television programme "This Hour Has Seven Days", as at the end of the period when I was editor of a magazine called *Maclean's* the issue has been management's right to manage (in the phrase of management) which they interpreted as meaning management's right to

control the news or control ideas that were that management's product.

I put it to you that this Committee might well consider all of the precedents for separating ownership from effective control in corporations which are the model for these press corporations, whether that separation might not be installed as an institutional change in these media corporations. Not because the publisher or the owner is an evil man but because he belongs by nature to that one party and his exigencies are the exigencies of that party. If he says they are not, he is a liar. If indeed he rejects them, he is a loser and his corporation is going to go up the flue.

One man cannot direct himself to the difficulties of balancing the books and showing a profit, showing corporate growth, while he simultaneously directs himself to all those interests that the broader community has a right to expect from the media, if they are as centrally important as I say, if they are the central institutions for transmitting cultural values in our society.

That is one alternative I put to you.

Another one: I see no particular reason why we should accept the proposition that broadcasting programming initiatives can be placed very largely and safely in the hands of one corporation which is a public corporation responsible to Parliament, the CBC; but that for reasons which come closer to taboo or superstition, in my understanding, reasons that exclude the printed word.

If we can entrust the broadcast word to a public corporation then I see no reason in in principle why a Crown corporation could the printed word to a nationalized institution.

Canada has not had a national press. The CBC showed signs of becoming a national press in the 1930's and the early 1940's on radio. The pressures and the seductions of the show business aspects of television seem to destroy that potential.

A country like Canada, under the shadow of the United States, needs a national press, it would seem to me, a good deal more than the United Kingdom which has had a national press.

I would urge you to ask yourselves on this Committee whether there is any reason at all in principle why a Crown corporation could not publish a national newspaper or national revue; or indeed ignore the distinction,

because I think it is apparent to all of you that the daily newspapers are less and less something distinct from revues.

The daily newspaper, where it is a good one, becomes a daily magazine more and more every day.

The third alternative to the present state of the media, that I urge you to direct attention to, is the set of questions raised by changing technology. I am struck and almost stunned by our lack of foresight, our almost total obscurity of vision in being able to foresee the changes that technology is going to bring about in the media.

In 1946, the FCC in Washington made a decision that drastically changed the cultural history of this continent during the oncoming years, when it let General Sarnoff persuade it that commercial broadcast television should be carried in the high-frequency band.

That restricted the possible number of national networks to three or at the most four. It restricted the possible number of local television broadcasting outlets to six or at the most seven.

If General Sarnoff had not been quite so persuasive and the decision had gone the other way then the numbers would have been much higher, the range of selection much higher, the ability of the media to be responsive much higher, and a completely different set of cultural initiatives and responses would have been initiated.

The same thing, it seems to me, the same kind of decision on the same matters of quality is being made right now in the set of instructions under which cable television will be regulated by government and the CRTC. They could, it seems to me, profit by guidance from Parliament well beyond the really vague provisions of the Broadcasting Act which tends to be an act endorsing motherhood and all the Christian virtues but offering very little guidance to the commissioners in doing a critically important and very difficult job.

Cable television does, if it follows one line of direction, offer a radical opportunity to return or to install broadcasting at almost the same point that high speed presses installed publishing at the end of the 19th century with the capacity—not immediately, not tomorrow, but within a very short time—to amplify for 27 channels, 44 channels, 86 channels. The capacity of the amplifiers really depends on the ability of the market to pay the engineers

to produce the equipment. It does not depend on the inherent limitation of the equipment itself.

If you look at a cable television system that can carry 87 channels you look at a system that can do for you or me sitting at home most of the things a library can do; not most of the things a broadcasting station can do which has one signal to put in one screen.

The alternatives raised by technology are much more important than most of the institutional alternatives we could devise if this Committee sat for ten years.

Finally I would urge the Committee to give consideration, pretty well irrespective of the accepted practices or conventions of regulatory bodies or legislative bodies in dealing with the media, to give consideration to some simple measures: banning chains of newspapers or television or radio stations.

There are anti-monopoly laws in most Western countries. Any newspaper that buys a newspaper in another town is extending a partial monopoly; and if it buys a newspaper that is the only newspaper in the second town or if in going in a town it puts the other newspapers out of business, that is extending a total monopoly.

The cross-media monopolies are equally important. Last week a deal was completed in Toronto by which one of Canada's largest newspapers bought one of Canada's largest cable television systems. This is an instance of an organization that is unsatisfied with the range of economic opportunity in its own field buying the technology to extend its profit to another field.

I am not necessarily sure that this opportunity needs to be available to it inside this set of institutions called the media.

Finally, as a general proposition, I would put it to you that we seem to have been seduced ever since the O'Leary Commission, which I remember testifying before some eight or nine years ago, seriously seduced in Canada by concern for dying publications, many of which richly deserved to die and many of which had paved the road to their own grave; rather than being concerned with whether or not conditions in this country exist for new enterprises to spring up.

I really don't think that an existing enterprise that is dying has much claim on the public purse or public concern for its livelihood, but I do think we all as a society need

to have a concern that the voices in the community that want to be raised beyond the range of the larynx to the ear have as much access to capital and market as they can be given.

I would be glad to answer questions to which I know the answers.

The Chairman: That, Senators, was from one page of notes. I am impressed. I am sure the Senators are impressed.

Senator Prowse has a question.

Senator Prowse: Do you feel, Mr. Lefolli, that the press we depend on for all of our information today is entirely a corporate press and subject to all the vices of a soulless corporation. Is that correct?

Mr. Lefolli: Not exactly. I admire corporations and some of their manifestations I think economically they are one of the most brilliant devices of the human mind. I believe they belong naturally by nature to one party. Their exigencies are the same for virtually all large corporations and therefore when a generation or an individual or an interest group says "Look, they have disenfranchised me" we have to listen to them.

You know the price of a press. Since the time Lilburne began publishing pamphlets, the pamphlets that started the Levellers' Movement, the price of a press has become 80 or 100 million dollars. The individual doesn't have access.

William Lyon McKenzie packed his press on his back, when he was no longer welcome in Toronto, and went down across the Niagara frontier.

I am not against the corporation. I simply put it to you that the corporation is restricted, regulated, controlled, adapted and adjusted every day in the public interest by legislation, by the decision of regulatory bodies, and that the corporations that own the media should be the first subjects not the last to the kind of scrutiny in the public interest that corporations are subject to.

Senator Prowse: All of our corporations today, and this would apply with exceptions of the small ones, the ones on which you and I depend and which all Canada depends for pretty nearly everything we buy, are big corporations which are run by a new breed of cat who is the professional trained manager. Is that not true?

Mr. Lefolli: Yes. That is precisely what I mean when I say ownership is separate from control. The trained managers control; the owners go to lunch.

Senator Prowse: They can yell and if they get really upset they can exchange one group of professional managers, who have really a very small personal stake in that business, for another set of professional managers.

Mr. Lefolli: Yes. The court of last resort, and it is almost the court of first resort, is to fire them.

I have always been amazed at the reluctance of publishers to fire editors; in other words to fire producers. They seem to prefer to get into enormous hassels with them. It seems to me that a very clean situation is to fire a man if you don't like him.

Senator Prowse: Well, the fellow who is firing is increasingly himself hired help, except he is the person who set the rules by which you got hired. Is that correct?

Mr. Lefolli: I agree.

Senator Prowse: Does the solution to this lie with the people who are involved in the editorial end, and I include the wide sense of it, themselves developing the same kind of professional competence and recognition which the managerial group have managed to do and hi-jacked all these companies away from everybody?

Mr. Lefolli: Well, perhaps. I wonder... Max Aiken, who became Lord Beaverbrook, was a brilliant manipulator of corporations. He was also, what many people tend to forget, a brilliant journalist.

I think the best war correspondence ever written by a Canadian, or by anyone in the English Language for that matter was written by Lord Beaverbrook in World War I. I don't know why some publisher does not reissue his World War I correspondence. It was brilliant.

But the exceptional individual you cannot legislate for and you don't need to convene a Parliamentary inquiry to look to the exceptional individual. If you get one you are lucky. For the rest it seems two separate sets of distinctions, two separate sets of professional responses and bodies of professional knowledge are involved in managing corporations.

A guy says "I am a manager" and that seems to stand for somebody who can manage well.

A guy says "I am an editor" and everyone in the country thinks he can edit as well if not better than that fellow.

If I understand your question I don't think my answer is to agree with the tendency. I would rather see an institutional separation by which a manager would be directed to manage and not to second-guess the editor, while the editor is left free to respond to his constituency.

I don't really think you can worry about pleasing advertisers and being responsive to interests and needs of your readers at the same time.

Senator Prowse: That brings us to a point I wanted to get to. The business we are in is different than General Motors because all General Motors have to please is the people who buy automobiles in the final result.

Mr. Lefolli: They don't necessarily have to do that.

Senator Prowse: They can leave them in the position that is all you buy.

Mr. Lefolli: That is right. That is how much choice most television and newspaper readers have. That is centrally important to this discussion—the concentration of the press is where I believe this Committee started and that is a centrally important point.

Senator Prowse: You have concentration of the press but you have something else. You have a built-in schizophrenia arising, as you pointed out, from the fact that they have two people they have to please.

One, to get their growth they have to please the advertiser, which is where the corporation stuff comes into it and all their interests.

Then to stay in business they have to find an audience so they have to please the readers. So there is this schizophrenic approach which may cause all this hysteria we get of firing editors and things that seem to arise with such distressing frequency.

Mr. Lefolli: No, it doesn't cause it all. Sometimes it is caused by a lousy editor. I am the first to agree "That guy should be fired."

Senator Prowse: How do we assure the independence, the freedom and the excellence of editing, which the readers and the public need? How do we assure that and still leave the present corporation with its money in there, the right to protect its investment and

to get the growth which everybody seems crazy for today?

Mr. Lefolii: Here I think you touch on a superstition. The managers would maintain, would hold that only a manager understands the requirements of the product. An editor might understand the requirements of the readership but the management understands the requirement of the product.

I disagree completely. Most of the decisions, as I see them carried out, have involved degradation of the products in any terms other than a bookkeeper whose job is to sell advertising.

Advertisers have not flocked to those publications or those broadcasters who have gone out to pander to them. It is that simple. They have not done it.

Quite possibly the most critically independent commentator on commercial values in the United States today is *The Wall Street Journal*. Advertisers have not deserted *The Wall Street Journal* for that reason although General Motors on at least one occasion cancelled all its advertising in *The Wall Street Journal* and it came back three weeks later.

The assumption at various times in my experience made by organizations like Maclean-Hunter, a private corporation, and the CBC, a public corporation, both subject to the same sets of bureaucratic dynamics is that displeasing an advertiser is counter to the proper management of a press corporation. This is just a false assumption. You know the pay-off is in the paper and we have a tendency to believe that you measure editors, writers, broadcasters by what people say about them—the personality gimmick.

The truth is that is nonsense. You measure them by what they put out on paper or what they put out on the air and by and large the successful editorial enterprises—broadcast, printed, or whatever—have been enterprises that spoke to the needs, interests, requirements, the relative concerns of their audiences, not to the short-run self-interest of their advertisers.

Senator Prowse: Why is it I have never read anything in any publication or newspaper—it may be different now but was not a short time ago—that whether I buy a Chev, Pontiac or Oldsmobile I have been right up until the present buying the same car in Canada, while on the other side of the line I was buying an entirely different automobile?

I have never seen that in any publication, newspaper or magazine.

For instance you see in Canadian ads “wide-track Pontiac” with exactly the same chassis as everyone of the General Motors Products within that general price range.

Mr. Lefolii: I think General Motors would let you come to the plant in Oshawa and see the same unpainted numbers come down on a hook on a long line and get a certain amount of things with a different nameplate on the front. That is not particularly a secret.

Tougher stuff than that has been carried by the media in Canada. By coincidence I was the first television producer to invite Ralph Nader to speak to any wider audience than the people who bought his book in 1965.

Nader's history, if you are interested in consumer journalism, is interesting because *Time* magazine had a review of his book written in 1965, it was put in type and it sat for six months and they killed it. They never reviewed that book.

In 1970 or the last half of 1969 they carried an adulatory story with a portrait on the cover.

Five years of evolution have changed in some respects the media we are talking about and many of them are getting better but they are still getting better within the framework of the one-party press. That is my central point.

Senator Prowse: Let's go back. We won't go quite as far as Wilburn. The argument in favour of the chain is that the chain—except where obviously they admit they don't try to do that—the two serious chains in Canada, or three, have come and told us that their people are now able to provide, particularly in the smaller one-newspaper communities, a much better paper than they ever got with the poor struggling owner-publisher whose one idea was to print the news and raise hell.

Now is it that we are expecting too much from these newspapers today and that we should be letting them perform that simple, honest function and then getting our in-depth and explanations and interpretations from perhaps national magazines that could just move in?

To illustrate what I have in mind: every paper today is trying to interpret everything I read for me. Damn it all, I would like them to give me a few facts, I am old-fashioned

enough, I will interpret it myself. I want to be sure that what I am getting is the fact and not what somebody thinks I ought to have.

On the other hand, I am impressed by the fact we have both the CBC and CTV who have public affairs programmes and I think you would agree with me they are hard put to come up with a really good documentary once a month. They do some half good ones the rest of the time but a really good one once a month is a pretty good average.

Mr. Lefolii: I am not sure your estimate is not high.

Senator Prowse: It may be high. Now, if we have the honest little local newspaper just printing what he saw and raising hell locally and then leaving this other field to the magazines, might not we in total be served better than we are now?

Mr. Lefolii: Deal with the question in two halves. Whether or not magazines could clean up Oshawa I don't know but I do know that the Thomson people will come here and tell you precisely what you have just repeated to me that because of the corporate strength they can serve the local audience much better.

I would urge the Commission to send somebody to Oshawa to ask the people of Oshawa how well they are served by the local paper.

I see no sign that anyone but the publisher or the shareholders in the corporation is well served by chain newspapers in Oshawa or in Toronto.

The Globe and Mail, whatever its excellencies or deficiencies—and sometimes it is really a lousy newspaper, in other respects it is a pretty good one. *The Globe and Mail* is no better or no worse in chain ownership than it was as an independent. No one has ever pleaded as an independent it was losing money. All it is is a component in a profit-making system where doubtless the net return is a little higher because it is a component because it can write off some costs against the system instead of against individual unit.

Senator Prowse: It might even be an insurance policy in the profit making system?

Mr. Lefolii: It could very easily be. In fact I suspect it is.

If I may take a second here, let me elaborate on an alternative to the chains as the

underwritings of the expense and of some journalistic initiative that local publishers, local broadcasters find it very hard to carry.

This year CTV—not nearly as rich a network as CBC or CBS—have given me a free hand to go where I want, when I want, to cover what I want. That has been fairly rare in Canadian journalism.

And I would say a good thing and particularly because it is good for me. I like it. I think a good thing in general too.

I see no reason, however, why if I can do a good job under these circumstances that I cannot create or the material that I produce cannot create its own network for that purpose only. So on cable television and newspapers, I think we have chosen the least effective of two possible routes to get the kind of extensive coverage that the chains come in and talk about.

There is no reason why a good reporter cannot create his own chain for the purpose of carrying his own reports, not for generating profits for a corporation that wants to grow or wants to aggrandize other enterprises; but the people who are carrying those reports.

There is no reason why cable television has to throw up a network in which all of the participants, all the subscribing stations or systems are committed to carrying every minute of time that that network produces.

There is another way of creating networks and that is in response to the quality of the material.

Now, Foster Hewitt creates a radio network to carry his play-by-play commentary of the hockey game. The reason he can create this is that he does it very well and has for a long long time. The same thing can happen. Networks can be called into existence in response to the quality of what it is proposed for them to carry so if I, a journalist, have done a lousy piece, I cannot get anybody to carry it. However, if I have done a good job then I can get perhaps even more papers than Roy Thomson owns to carry it.

We tend to think that because a system is in place, it is the only system and I am suggesting to you that you give thought to alternative systems.

The Chairman: Are there any other questions? Mr. Fortier?

Mr. Fortier: I asked this question yesterday of Senator O'Leary, Mr. Lefolii. I did not get

a complete answer but in view of your verbal remarks before you submitted yourself to questioning, I think the door is open. I would like to try this one on you.

What are the ingredients of a good journalist today in Canada, in 1970?

Mr. Lefolii: You invite a speech. You know, I was dismayed to realize yet again on reading the newspaper this morning that the most vivacious practitioner of my profession in Canada is 81 years old, is it, or 87 years old?

The Chairman: 81.

Mr. Lefolii: 81 years old.

The Chairman: 81 today, I think. It is Senator O'Leary's birthday.

Mr. Lefolii: The classic qualification of a good journalist is a curiosity and energy and a kind of stubborn, almost stupid, insistence of reducing events, particular events having a large framework of theory, rational and justification around them; on reducing them to the components that matter to his constituency and this question of constituency is vital to any consideration of the press.

The mass media and the publications that will matter in the next 10 years may very well be two separate things. A good reporter for *The Financial Post* does not have a set of instincts to reduce rationalized matter to the components that are important to his constituency but a good reporter for *The Toronto Star* does. It is a kind of stubborn stupidity to my mind.

Not necessarily do I agree with Senator O'Leary—not necessarily a string of university degrees. I suspect a trade school is a bad idea for a journalist and when kids ask me "Should I go to a journalistic school like the University of Western Ontario"? I usually say "If you want to".

If you go and enroll in law or political science or history or some discipline that teaches you how the world works, you will come out a lot farther ahead than you will if you go into a school and enroll in a course that teaches you how a newspaper works because you can find that out very fast and very easily and at some slight profit by not going to university.

Mr. Fortier: This is essentially a curious animal that you have described. Is there room for him in the corporate press which you have described here today in Canada?

Mr. Lefolii: Yes. He indeed often does work for this corporate press. The corporate press, as I say, is not all bad. The one-party press is not all bad.

Some newspapers are turning themselves into platforms. *The Toronto Star* and *The Toronto Telegram* are good newspapers. They are, however, restricted by being still one-party newspapers because the corporate response, the organic corporate response is still to the corporate dynamic, which is for growth of profit.

I think Ron Haggart is one of the best journalists operating in the English language. For some years Pierre Berton wrote a column for *The Toronto Star* which was a model for a later development of a variety of plans of daily journalism in the English language, just in Canada.

In the periodical press Robert Fulford would be an important journalist in any country in the English language.

There is certainly room for that now.

Mr. Fortier: Is this not what CTV has attempted to do with the "By Ken Lefolii Column"?

Mr. Lefolii: In a sense, yes. And I am grateful.

Mr. Fortier: I do not know that this was ever done before in North America, was it, as applied to the electronic medium?

Mr. Lefolii: No. Do you want me to tell you why I did it?

Mr. Fortier: Yes, I wish you would.

Mr. Lefolii: I did it because the Broadcast Committee of the House of Commons had gone into session across the country over the issue of a television program called "Air of Death" to try once again to define the permissive limits of comment, of subjectivity if you like, in broadcasting.

It seemed to me that this attempt to define a word has been going on in backrooms for generations with no perceptible result, no result that anybody can find useful.

I wrote a memorandum to CBC saying "Look, why don't we give them a little help, not by submitting our definition, but by doing an on the air subjective thing that everybody understands". In other words, something which anybody in the country can read who does not know what a column is. So let us put

a column on the television and we do not have to explain because they already know what that is, so you will have a guy on the television who is speaking for himself. You have a working model for permissive subjectivity.

If I take that licence too far they will fire me and so they should.

Mr. Fortier: What is the limit to which you can carry your mandate?

Mr. Lefolii: My own good common sense. Theoretically...

Mr. Fortier: Or the viewers taste?

Mr. Lefolii: Yes. My own good sense is really the limit until I have overstepped the limit at which point I get fired. That happens, if I assault the taste and sensibility of a majority of the viewers. But it also happens if I make myself and the network vulnerable under the libel laws. It also happens if I am grossly in error about important things and insist everybody else is wrong and I am right.

I say my own good sense because the network has honoured its verbal contract with me in a way that has not happened very often, in my experience, with publishers.

Having said "Okay, we will accept your qualifications as a journalist and we will put you on the air, under the exigencies of a deadline which are pretty extreme in television,—a columnist has sometimes gone on the air without being pre-screened and that, I think, really honours an editorial contract of the kind the public should insist a journalist have with their publishers. Good editors, good columnists, try to get here and in the United States and the United Kingdom an understanding by which they are subject to subsequent disagreement but not prior censorship.

The Chairman: Who are your employers in this case?

Mr. Lefolii: CTV, the network.

The Chairman: Are you attributing to the CTV a special sense of enlightenment that makes this possible?

Mr. Lefolii: No, but I think that to the extent I can, I would say that an intention to provide within their limitations, which are extreme and many, as you know, a useful network service in this field of news and public affairs, should be recognized.

The Chairman: You talked about assaulting the sense and taste of the viewers. What if you were to assault the sense and taste of the directors of CTV?

Mr. Lefolii: Well, I would imagine they would throw me out too, but they have that right.

You see, the important thing is that they are not frightened by their responsibilities and I believe the corporate masters of the CBC often have been.

The corporate executive is interested as well as in the growth of the corporation, in his own survival and that plus a sense of his acute responsibility to the community. I think the two things are co-equal, at least, if they are not, I am not competent to distinguish which is the greater in the mind of say an executive of the CBC, but the two things tend to constipate the expression of the network.

The CBC is far-far too delicate; far, far too concerned about some breach of its responsibility. Its responsibility is to open a channel of communication, not to protect the country against some guy who might say the wrong word at the wrong time. If he says the wrong word at the wrong time, throw him out but the country is not going to go down the drain because some guy got on the air and said something injudicious. Hell, we are all tough enough to be able to live after we hear somebody say something injudicious, I would hope.

Yet the CBC has often acted as if we were not, as though we needed to be protected by very wise men and very judicious men and very careful men as though we needed to be protected against any injudicious statement, whether it was on the grounds of taste or whatever.

Mr. Fortier: Would you take issue with Senator O'Leary's statement that there was no such thing as electronic journalism?

Mr. Lefolii: Oh yes. He put this before this Committee was formed or at least at the time the Committee was being formed.

The Chairman: He said it in the Senate in the light of my original speech.

Mr. Lefolii: Yes. He said television is not journalism.

Mr. Fortier: He said it yesterday also.

The Chairman: I am sure he did and I am sure he believes it.

Mr. Lefolii: It is nonsense. Journalism does not reside in the mind again of a guy on a Committee defining a word. It is out there in the country where people are responding or being informed by or being educated by or having the cultural tradition defined by something and what is doing it now is really more television than the printed word; by which I mean to introduce no contract to Marshall McLuhan, because I do not understand it either.

The Chairman: Before you put your question, Mr. Fortier, may I say the hour is moving on. May I say I am prepared to stay here quite a long time. I am not sure all of the Senators are and I am not at all sure the witness is. I am not saying this by way of concluding the session, but pointing out that the Senators should perhaps be organizing their questions.

I have Senator McElman to ask questions. I have Senator Everett to ask questions.

Mr. Fortier: All right. This will be my last question.

The Chairman: No, it need not be.

Mr. Fortier: You referred earlier, Mr. Lefolii, to lousy editors of newspapers in Canada. I am certainly not going to ask you to be more explicit, but who should decide whether or not an editor is lousy; a sort of super editor?

Mr. Lefolii: The readers.

Mr. Fortier: How would you relate the reader's decision to the firing or continued employment of the editor?

Mr. Lefolii: Generally by the health of the circulation. I always try to measure my performance by my clients; for example, by the health of the circulation and when we reduce the average age of the readership and increase the profit from the circulation operations I feel I am doing my job, and that if they had a guy who could go out and peddle ads he would be doing his job. And that we had two separate jobs.

There are exceptions to it but I do believe it is generally speaking truth. The case of the *Toronto Telegram* fascinates me because it really was in my mind—and I speak now as a critic, not as anybody with absolute knowledge—but just in my view as a critic of the press; the *Telegram* was really a dumb, simple-minded newspaper and it has become an

effective one and its general health, its circulation and its revenues have increased as it became a better newspaper.

Mr. Fortier: Reader interest would be a pretty difficult yardstick to use in a one newspaper city, would it not?

Mr. Lefolii: In a monopoly city you are in trouble, yes, but even in a monopoly city, they go on reaping high profits still knowing damn well that the readers do not regard the newspaper as a vital part of community life.

It is very easy to slop off any responsibility in a monopoly town.

Lord Beaverbrook when he testified before the Royal Commission on Newspapers in the United Kingdom, of which there were two in the 1940's and 1930's, said on both occasions that in his view what the Commission should be concerned about was not so much change, although he was not much in favour of change—but what they should really be concerned about was what he called the solace position by which he meant the monopoly newspaper.

You really can be unbearably arrogant if you are the only game in town.

Mr. Fortier: My last question: now, writing in *Saturday Night* in June of 1969, Mr. Lefolii, you said and I quote:

"I no longer believe in the power of a parliamentary committee or parliament itself for that matter to bring about any significant change in the control or quality of newspapers."

Are you not banging your head against a stone wall here today?

Mr. Lefolii: I am a hopeless atomic age optimist.

Mr. Fortier: All right. I will pass.

The Chairman: Mr. Fortier, I will come back to you for further questions. I did not mean to inhibit you as I obviously have done.

Mr. Fortier: I will ask them of Mr. Lefolii later on this evening.

The Chairman: Senator McElman?

Senator McElman: Mr. Lefolii, there has been considerable discussion before this Committee on credibility. You have touched on it to a degree. Senator O'Leary touched on it to a degree. One of the references he made to bring it home was the very recent example of

was the end of hostilities in the war in Biafra. He said there were the official people in there, the observers for government and I believe he said there were 72 journalists and the reports came out completely different. One said there was no genocide. One said there was nothing more than the normal degree of rape that associates with such circumstances.

Great hunger, yes, but not great starvation and so on and the media were saying just the opposite.

Can you comment on this? You are one who travels in the world.

Mr. Lefolii: I will try to say something illuminating. The first observation I would make is that it is very hard to be a good reporter. Mr. Fortier asked me about the qualifications of a good reporter. I said a kind of almost stubborn or almost stupid insistence on reducing rationalizations to those components that matter to individual people.

You get in a situation like this: enormous difficulty in the way of getting ordinary information. You get off a plane in Lagos. In these circumstances you cannot move unless you get government permission. Somebody will kill you if you do and even if you are very brave, you are not going to be a very good reporter if you are dead.

You get shown what they want to show you. You get usually to talk to people through an interpreter and you need an enormous amount of initiative really. I am not, I do not think, overstressing the difficulties of my trade because I am too aware of them and too aware of the shortfalls that they build into the work I do to do that but I am saying it is hard, very hard and sometimes impossible to report more than impressions; and one of the troubles with the press is that various forms of competition have forced reporters to speak about tentative conclusions as though they were facts, to get their story out in the front page where it can be sold in a few sentences that tell the reader something he did not know but which in fact the reporter does not know either.

I would doubt very much whether at this stage anybody knows the answer to these questions about Biafra. I doubt very much whether anybody knows the answer to the question of whether or not genocide is now being carried out by the Indians on the Upper Amazon of Brazil. Nobody really knows what is going on in Angola, Mozambique.

Reporters will over-write in order to sell a story. I do not know a salesman who does not oversell in order to peddle his product and reporters are subject to that human failing.

Beyond that I can only say that you buy a reporter the same way that you buy a pair of socks or a brand car. If he has not taught you over a period of time he is a fairly careful observer and you have, in the light of what has happened later, some respect for what he has told you in the past, you have no reason at all to believe him in the present.

Senator McElman: In the circumstances to which you have referred, these reporters for the most part at least would be travelling under the aegis of the Nigerian Government, would they not, the winners of the war.

Mr. Lefolii: Yes, they are there by sufferance, yes.

Mind you, I should qualify my responses to you by saying I did not go to Biafra. When the war ended I was on a plane to Vietnam. Under the terms of which I did this, I probably should have gone to Biafra, but I was on my way to Vietnam.

Senator McElman: I saw your very good show on Vietnam.

Mr. Lefolii: Thank you.

Senator McElman: In those circumstances where they would be guided by the Nigerians, would they not see the best of what was to be seen; yet how could they come out with what apparently was the worst in total opposition to the story given by the official representatives who were in there on behalf of the Red Cross and on behalf of International teams of observers on how in this protective situation...

Mr. Lefolii: I can only suggest one partial conditional answer and that is that despite the fact the auspices—because the auspices would be the same for both groups—despite the fact that the reporters are there under the auspices of the government, they have no particular responsibility in their own minds to preserve whatever there might be of political stability or to do what they can to retain as much cool on the part of the government as the information will let them.

A reporter will often be told "Well, all right, you know this or that inflammatory fact but your larger responsibility is to suppress it because it will lead to unrest, instability, economic recession or whatever".

I have been told this a dozen times. Nobody has ever offered to bribe me even with a cigar in my work as a reporter, but I have been told dozens of times to under-play understate or ignore some discreditable or inflammatory fact, because it would have a bad result of some sort.

Now, in Nigeria and as a general principle I would say that is nonsense, but in Nigeria if you are a representative of the Red Cross you would have to give some thought to whether you wanted to stir up or heat up a cool situation. And I do not know how cool it was.

But, that would be a factor weighing upon the minds of people representing church groups, international Red Cross, similar international aid agencies. That would not necessarily weigh as seriously on reporters.

The other half of only a partial and as I said conditional answer is that reporters and indeed publishers are the victims more than most people of fashion cycles.

You know, one of the real drug addicts of the press is that it gets hot about some subjects and it tends to adopt a pretty firm consensus of understanding. It got hot about Pierre Trudeau in Canada a couple of years ago. It is hot now about pollution. You name it. The examples are endless. When the fashion cycle is up for a subject or the prevailing mode of thought about a subject, there are not many reporters who can break it.

Biafra, in the minds of most proper, decently brought up, God-fearing Canadian boys who grew up to be reporters, has been an international crime and the reporter who belongs to that school of thought, that fashion cycle, if you like, that mode of thinking, is more apt to report crime than a man whose training formation and professional instincts has been to try to extract and then build up and support the cool, the rational and the constructive solution.

It does not do that much good, you know, to identify the criminal if you cannot punish him or indeed if his victim is going to go on suffering after you have punished him.

So, the moral view the "Where is the criminal" and "Let us indict him view" is not necessarily the most constructive one and people who work for organizations like the Red Cross tend to know that.

Senator McElman: In this hot atmosphere, to use your term, let us swing this over to the young people today. We agree that for the

most part they do not believe the press. I am not subjecting the Committee to this but I think you suggested that.

Mr. Lefolii: Yes, I did.

Senator McElman: Over the period of the terrible months of this unfortunate war—perhaps that is not strong enough—the media, I believe, led the people to believe that there was a terrible thing going on. The young people did believe that, I suggest, very strongly and when the thing was over they were being told there is this thing going on and here we are supposedly the establishment on the other side saying "No, this thing is not going on." So here again we have credibility. Who do we believe; what do we believe?

I want to carry this over into another area, if I may. This four letter word and the underground press and so on, obviously all these people feel there is need for such a thing as an underground press, or it would not be there.

Do you believe that the use of the four letter word so often or so continuously in many or most of the underground newspapers is simply a shock treatment which they have been taught? Is this the only way they can get the so-called establishment to listen; that if you put it in terms of what the establishment considers to be smut and dirt that they perhaps will read it behind the door; that it will get through as shock treatment and that they can finally get their messages through to the older generations?

Do you believe this is part of the four letter word deal, to break through?

Mr. Lefolii: No, Senator, I do not. I believe that the people who put out this so-called underground press, which covers really a wider variety of people and a wide variety of interests and levels on intellectual accomplishment. I believe most of them are rather smarter than that. If that were their intention, it would not work and I think most of them are smart enough to know that.

The four letter word doesn't mean much to anybody. Really it is a mild insult to some.

Senator McElman: Except in print.

Mr. Lefolii: I do not think it means much to most people in print either. I do believe it is a mild insult to many middle-aged ladies in print. It doesn't really mean much to anybody one way or the other.

Print is full of these words but under a different convention, under a convention that if you have got a small package of print that is thicker than a newspaper or a magazine, then the print is full of it.

I think the underground press uses the four letter words to crowd out other and more meaningful words because the underground press has a real problem and that is it is not very good, partly because it grew up as a response or a rejection of or an attack against this establishment of the one-party press.

It itself is a one-party press. That is its tragedy and that is really one of the great weaknesses of the spectrum of the press on our continent, that the underground press is not very good.

It is the kind of one-party press that does not listen to the opposing case, has no interest in anything that might contradict its conclusions and convictions, that speaks of shared assumptions among its readers as facts; that preaches exclusively to the converted, in other words and because it has all those defects and deficiencies, it uses four letter words as a kind of stamp of approval as between writer or editor, the publisher, the underground newsreel which is exactly the same kind of thing.

The man putting it out and the man who is getting it both agree that the four letter words are part of their ordinary language—they are not part of the ordinary language of the conventional press—and therefore they identify themselves. They crowd out other useful words and study their output with this sort of stamp of approval.

But I do not think they intend to shock or somehow frighten into awareness the conventional press or the conventional audience by using these words because it is too simple-minded. It would not work.

Senator McElman: You do not believe that this is any attempt to reach the older generations, the establishment at all?

Mr. Lefolii: No.

Senator McElman: It is really their own communication, is that all?

Mr. Lefolii: Yes, I think their problem is that they preach only to the converted. There is no room for fact or argument that contradicts the conventional assumptions of the radical left, just as for a long, long time there was no room for assumptions that contradict-

ed or facts that negated the assumptions of the Chamber of Commerce and most of the conventional press.

Now, that has changed in the conventional press but the underground press still has that weakness. It is a bad press for that reason.

I wish it was better because I think it might offer one of the alternatives of which I spoke earlier. The underground press has this great virtue that you do not have a million dollars to participate in it but as long as you speak only to people who agree with you already, you are not a factor, are you? It is just like writing home.

Senator McElman: Yes. I have become amused when I have heard quite a few witnesses suggest that people do not like our paper. People do not like our approach, particularly in the monopoly areas. All they have to do is start another newspaper.

I assume they are talking about an underground press. That is the only thing you could afford to start today.

Mr. Lefolii: Yes.

Senator McElman: Like you, Mr. Chairman, I would like to spend another two hours but I will pass on.

The Chairman: All right. We will have Senator Everett and perhaps we will come back.

Senator Everett: Can you tell me what sort of corporate vehicle you might be suggesting that would guarantee this sort of separation between the owner-managers and the editorialists?

Mr. Lefolii: I am not an expert on corporate design. I am not a lawyer. I think Mr. Fortier, who has an original turn of mind as a lawyer and I have a great respect for him, may be a better consultant than I am on this question but I have given it some consideration.

The by-laws of a corporation include not only what the directors have chosen to include but some matter that is included because of legal requirement.

I see no reason why the by-laws of a press corporation should not include a requirement that editorial control of the enterprise be vested in the editorial director, whether you call him editor, editorial vice-president or whatever—it doesn't matter—and that the operating control of the corporation as a com-

mercial entity be vested in another director. They can both be responsible to a president who can fire the editorial director but cannot tell him what to print.

Again I return to his really very simple-minded issue. Press corporations for some reason—whether they are public like the CBC or private like *The Telegram*, do not seem to fire people very often and I do not know why, but as long as the corporation can fire an editor who is running the interest of his publication into the ground by bad judgment or bad practice, I do not see that they are in much danger.

The profits, as you know, in commercial broadcasting and in many forms of commercial publishing, have been enormous in our generation. The fact that some few publications and some few broadcasters, for that matter, have gone broke, seem to me a very ordinary commercial fact. The rate of bankruptcy is very high and hell, if freedom of the press means that you are free from any responsibility to run your enterprise to make a profit, that somehow or other the public will guarantee you make a profit as long as you are in business, then it means something quite different.

Senator Everett: If you have a by-law which guarantees this freedom or separation and yet you say you have the right to fire, does that not derogate the whole effect of the by-law?

Mr. Lefolii: It tempers it. I do not think it derogates it because, you see, there is a subtle process at work here.

The corporation, as long as its purpose is unitary, the growth of the corporation, will select from among its young people or from among the available pool of talent outside itself, those people who look like good servants of the corporation for employment in the first place and advancement in the second place.

Talent and various forms of performance which editorially are real factors—not every reporter is as good as every other reporter, but talent will tend to be subordinate in making those decisions to the considerations of whether or not this man will be a good corporate servant.

If that man is required to address himself to editorial concern and the rest of the corporation is required to stay out of his hair in those concerns, then I think the chances that

right from the top down the editor enterprise will direct itself to the proper concern of journalists is much higher.

I do not think the ideal solution exists and I think that we have all abused ourselves and our own patience and our own time and our own prospects for getting anything done if we look for a perfect system.

Insulation in our society against other pressing concerns is impossible for anybody. School teachers are not insulated from the often silly concerns and the often justified concerns of parents. You know, you cannot get total insulation but I think you would get the kind of channelling to important matters all the journalists in the editorial enterprise or the media if that separation were installed formally and institutionally rather than conversationally.

Senator Everett: So you would not concern yourself then with the concentration of ownership within a particular form of media?

Mr. Lefolii: Yes. I think monopolies are bad.

Senator Everett: I am talking about the corporate vehicle itself.

Mr. Lefolii: No, I do not think it matters.

Senator Everett: It does not matter whether it is public or employee-owned?

Mr. Lefolii: Not a bit. I would not think it would matter, if the corporation I have described could be set up and this device could be made to work, and I do not see why it could not.

I think there are some models already in other kinds of corporations for that kind of division. If that institution were installed, then I do not think it would matter who owned it. I really do not.

There have been times, you know, when editors have had precisely this licence because they were part-owners. The classic example is Harold Ross of the *New Yorker* who would not allow advertising people on his floor. There have been various other times.

There was a period in *Maclean's* where *Maclean's* was highly profitable and when, under the direction of a very good editor, Arthur Irwin, a set of operating rules was worked out under which I believe a great editor, Ralph Allen, made his own decisions about the editorial content of that magazine.

Now, that was a de facto situation. When the profit cycle turned down then corporate directors who, as Ralph once told me had only wanted to pat him on the back as he passed in the hall, started asking hard questions and eventually made it physically impossible for him to continue in the job. So the job passed to other people.

As long as the thing was profitable everybody was happy. I do not see why they should not be just as happy while it is unprofitable, because—I will tell you—the chances for survival of the corporation might well be enhanced by that corporation, because businessmen tend to make the wrong decisions under adverse business conditions in editorial enterprises. There is a kind of syndrome present, if you are interested in this subject, that shows up in all floundering editorial enterprises, the sort of convulsion that *The Saturday Evening Post* went through which is almost identical with the sort of convulsions that *Collier's* went through and is almost identical with the sort of convulsions that everybody goes through and all the general magazines in England that died, all went through the same sort of convulsion.

Canada is not unique in this respect. We have no unique problems in Canada. We do have an odd market in which dumping is much easier than it is in other countries but we have no unique problems.

I do not think we need concern ourselves to the exclusion of everything else with keeping bad ones alive.

To return to the question, it does not seem to me to offer any particular insoluble problems for the corporation to achieve that separation.

Senator Everett: Did I understand you to indicate you believed that there should not be any sort of chain ownership.

Mr. Lefolii: Yes. I think that monopolies are bad and that chain ownership is bad.

Senator Everett: I am talking not of monopolies. I am talking about chain ownership.

Mr. Lefolii: Yes. I see no reason why we should tolerate it.

Senator Everett: And you feel the same way about cross-ownership?

Mr. Lefolii: Yes.

Now, those are absolute decisions. I guess I would argue, if I were a legislator, that anything I could do to reduce their incidence would be good but as a general proposition I feel they are all bad.

You see, a publication or a broadcasting enterprise is a form of voice and a chain is simply not responsive to the community that it publishes in. It is a voice that comes from somewhere else.

Roy Thomson says, and he is quite right, he does not care particularly and he certainly would not impose—he argues this as a virtue—upon say an editor of his paper, I think, in St. Petersburg, Florida. He has a big Florida paper and a very good one and the policy of that paper is or was the last time I spoke to him personally, is in support of racial segregation. And he claims as a virtue his editorial reticence or rectitude in not imposing on that editor a policy of integration. What all that really means is he is going to make more money with a separatist paper than with an integrationist paper.

Senator Everett: Could that not be the sort of thing you are looking for?

Mr. Lefolii: I do not follow that.

Senator Everett: The complete separation?

Mr. Lefolii: Yes, but you see a separation is not complete. That is why I warned against searching for a foolproof, completely effective device because I do not think it exists.

That separation in an enterprise in which the owner is responsive to the community to the extent he lives there and his editor is responsive to the community to the extent he works there, will be more effective than one in which the owner lives in Toronto or as, in the case of *The Globe and Mail*, in Calgary, wherever it is that Max Bell lives now, Roy Thomson in London, Ken Thomson in the Mid-Atlantic—these people are not responsive in any human sense to their constituents.

I do not think that there are any ideal or perfect solutions to any of these questions but I think there are better solutions than the ones we have at the moment.

Senator Everett: You were talking about—I forget how many dozens of UHF channels and cable channels and so forth. I am not sure I understand the technology.

Mr. Lefolii: I am not sure I do either.

Senator Everett: If we achieve this, is there any guarantee that the quality of programs—I admit the competition would increase—but would the quality increase as a result of this?

Mr. Lefolii: It depends what you mean by quality. The responsiveness of the media to its audience would increase.

Senator Everett: One of the things we have been told is the fact that corporate publishers are not that responsive in that in one sense they cannot be pressured. They achieve a form of financial independence that allows them to allow their editors to comment as they see fit; so if you are talking about responsiveness, that is a scared responsiveness.

Mr. Lefolii: No. I am talking about the responsiveness to the interests of the audience rather than responsiveness to a computer or a gross-measuring system.

You see, we are told by the automobile industry that we have a choice among cars. In fact, we have not. As Senator Prowse pointed out it is not just Chevrolets and Pontiacs that are produced. Chevrolets, Pontiacs, Fords, Chryslers and some others, whatever.

Senator Prowse: That even look the same.

Mr. Lefolii: By and large. These forms of competition by duplication...

Senator Everett: I think I can ascertain that point.

Mr. Lefolii: Well, yes, I am sure you do.

The Chairman: Senator Everett is in the car business.

Mr. Lefolii: I am sure you could and I am sure that the fine print of your argument would be valid but I think that the large print of mine is equally valid. Competition by duplication is a form of competition.

Network television puts it to you that ABC's cowboy show is better than NBC's cowboy show, and it may be, or CBS's cowboy show. Lorne Green may be a better cowboy than some other guy. But the audience is not being offered a choice beyond the choice of a duplication, beyond the fine print choice of who is a better cowboy because they are getting cowboys on all three channels at that hour, and they are getting news at that hour and they are getting sports at that hour. It is a competition of duplication.

What I suggest with cable television and with all UHF broadcasting is that there can be a competition of kind—that the broadcaster can become responsive to the actual expressed interest of his audience so you can have a stamp collecting show. Can you imagine a stamp collecting show on network television?

It may be an excellent stamp collecting show but the ratings it would get on broadcasting television would be .000—you name it.

This question of quality is very interesting.

When the chairman of the CRTC held a press conference after its announcement last week about the increased requirement for Canadian content in broadcast programming in Canada, I asked him at the press conference whether he believed or whether it was the belief or philosophy of the Commission that you could improve the quality by raising a quota for quantity and his answer was much what mine would have been if I had been asked. He did not know.

It is perfectly true from my experience as a broadcaster that some kind of quality can only be bought for money. It sounds like pure empty rhetoric to me for some guy to say "Well, all you need to do is apply a little more imagination or a little more hard work, a little more creativity."

That is the kind of thing you can only say from outside. It is rhetoric. It bears no relationship to reality.

I can go to Vietnam for \$5,000 or I can go to Mimico for \$5 but there are measures of quality that do not necessarily apply to this criteria—not this criteria—that do not necessarily apply to these considerations.

Senator Everett: It is your belief then that when the time comes that the CRTC should open the dam, licence as many channels as possible but not licence them to chains and not permit cross-ownership?

Mr. Lefolii: The technology doesn't actually work that way or at least the area within which the regulation works is not precisely that area.

The Commission is not, and I do not think will be, concerned with how many channels the cable system opens up.

Senator Everett: But you are, though?

Mr. Lefolii: Yes. Well, in the sense I am, so is the Commission. In other words, the more

the better. The Commission is not concerned to limit the number of channels the cable system can carry.

If the cable system can devise a way to carry 70, I think nothing would please the Commission more.

What the Commission may well regulate is how many American sources it will allow a cable system to put on the air or somehow pipe in for free or at a small cost and feed out to Canadians, and what it should be concerned with, I think—this is a personal opinion and again as a critic of the press—what it should be concerned with is how much cross-media monopoly it licences.

Is it really in the public interest? This is a question I urge this Committee to direct its attention to. Is it in the public interest for newspapers which have an effective monopoly or semi-monopoly, either no competition or limited competition in the community, for that one kind of voice to be given a vocal monopoly, a complete monopoly over this other kind of voice?

That is a good question and I am not sure I know the answer because I think it would be an intolerable penalty to impose on a newspaper if indeed this technology is going to drive newspapers out of business.

At the moment I do not believe that but a lot of people do. You know, they tell you about recall systems in which you feed a matter into the storage tube, and you let the guy at home call it back and he can call it back out in printed form. I could punch up a print out of my next edition of today's news rather than leaving it to some editor downtown to decide what it should be.

Well, that strikes me a little bit like science fiction. I think one of the pleasures of getting a newspaper is that pattern that is given to you to look at and the richness of texture on the page, which is often as rewarding as what the words say. I do not really think that cable television will just drive newspapers into the ground and bury them.

If I did, then I would think that the Commission would have to be awfully careful about not allowing newspapers to evolve into this new technology. However history, and it is really history, not a rational decision, has laid out the local monopolies that these cable companies are being given. The Bell Telephone and the Transport Commission at a time. That is what I mean about the shortness of our forethought.

At a time a couple of years ago when nobody could see any future in cable television, other than being a kind of super antenna for everybody—you know, no creative content at all.

Now, all of a sudden it is the monster that is going to gobble up everything else.

The Chairman: I have only one question and I would like to somewhat change the line of questioning. I will be brief, however.

You appeared before the O'Leary Commission, I think you said. Is that correct?

Mr. Lefolii: Yes.

The Chairman: What was your professional status at that time?

Mr. Lefolii: I was managing editor of *Maclean's*.

The Chairman: What did you advocate? What were you advocating or do you recall?

Mr. Lefolii: In a sentence I was advocating—what was the word I used? I can't remember. I said "Let us throw the so-called Canadian edition of *Time* and *Reader's Digest* out of the country".

The Chairman: Well, I am sure you are as familiar as I am with all the intervening events. Are you familiar—perhaps you are—with the stance now taken by Maclean-Hunter and by *Saturday Night* and by other Canadian publications which is that we need *Time* and *Reader's Digest* to survive.

Can you comment on that stance they have now taken?

Mr. Lefolii: Yes. I can even clear up perhaps a misunderstanding. That stance is not something that has developed between that time and this time. Maclean-Hunter changed its advice to the O'Leary Commission during the light of the Commission, as I recall.

Certainly at the time the Commission was appointed Maclean-Hunter's position was that *Time* and *Reader's Digest* should be removed in that special gimmick role from Canadian publishing and before the Commission made its report Maclean-Hunter had changed its advice to the Commission and was urging the Commission to retain the very special licence to print money that *Time* and *Reader's Digest* had.

That was a result of an understanding of its own self-interest on the part of Maclean-Hunter executives which changed. I thought

at the time and I said so privately—I do not see why I should not say so publicly—that Maclean-Hunter through the men who made those decisions was making a blunder that *Time* particularly and to a lesser extent *Reader's Digest*, but mainly *Time*—had conned them and I still believe that to be the case.

I have not looked at the figures. I have in my bag a piece that I wrote for the *Toronto Star*, which the publisher of the *Toronto Star* said he could not run out of a gentlemanly interest because the *Star* had a stake in the magazine business in Canada, but in which I did cite the figures for the share of the periodical advertising market that *Time* had in 1961 and the share it has now. That share has risen by at least 50 per cent. I cannot remember exactly—and the share of *Reader's Digest* has risen to a lesser extent.

The fact seem to be self-evident to me and here is where I believe the public interest lies. Maclean-Hunter pleads a case for the survival of a magazine called *Maclean's*. At the moment *Chatelaine* does not seem to be in danger.

I do not think that the public interest need concern itself with insuring the survival of a magazine simply because the magazine exists, because there is a name "*Maclean's*".

It seems to me in the last five years *Maclean's* has done very little to ensure its own survival. And I do not think public policy needs to ensure it.

What I think public policy needs to be concerned with is whether or not anybody can start a new magazine in this country and while *Time* and *Reader's Digest* have that share of the revenues nobody can; not with the kind of capital accumulation that a professional magazine needs.

The Chairman: Would it be fair to say that much as the way television is competing with magazines for audience and for advertising dollars, it is also competing with magazine industry for journalists? I perhaps would suggest Exhibit A might be yourself. I think of you still for some reason as a magazine man and yet here you are. Are you alienated towards magazines?

Mr. Lefolii: No. I still think of myself in the same way. I am the kind of guy who stumbled into a television station one day and will soon stumble out because it is not really my business.

However, I will not stumble out unless something happens to make it possible to start a magazine.

You know, there is nothing more pathetic than maybe a guy with a Christmas tree lot who has still some for sale on December 26—there is nothing more pathetic than an editor without a paper or more useless.

The Chairman: Well, it is very late and you have been very patient. I think I should tell you that you have probably broken our record for staying here late at night. I think we could guarantee the record by staying even longer, but I will not ask you to stay later. I hope you will forgive us.

I have only one last question and it is facetious but it is also serious.

I remember talking to you, about a year ago now, at which time we discussed your book called "*The Bad Press*".

Mr. Lefolii: "*The Bad News*".

The Chairman: "*The Bad News*". Well, the fact that I called it "*The Bad Press*" really makes the point I am going to make. You promised to send me a copy, which you never did. I was fortunate enough to obtain a copy.

Senator McElman: You got mine and you did not return it.

The Chairman: I was fortunate enough to obtain a copy from a Member of the House of Commons, I thought. Maybe it was yours. In any event...

Senator McElman: I should have put my name in it.

The Chairman: In any event, I loaned the copy to one of our colleagues—who shall remain nameless but is not on this Committee—he either lost it or refuses to return it.

Meanwhile, I have been trying all over to get a copy. Where on earth can we get a copy of this? I would like the Senators to read it.

Mr. Lefolii: I will get you one. There are just a few...

The Chairman: When is it going to be for sale?

Mr. Lefolii: There are just a few somewhere in the back corridors of McClelland and Stewart. It is not going to be for sale until I finish the hard cover edition which will be published in New York and London as

well as Toronto. It is hard to write a book about the press in the English language and about the Canadian Press and I must confess to you that the concluding chapter which bears on some of the points I have raised here tonight but not others, is the chapter that interests me.

It is the one I wrote the book about and it is "What are the Alternatives to the Real Condition that we are in Today?" And this question of cable television had not even occurred to me. That is how shortsighted I was at the time I originally drafted that chapter. I keep rewriting that chapter. When I am satisfied I have covered the range of possible alternatives of possible solutions that are in sight, the book will be published.

The Chairman: The project has not been abandoned?

Mr. Lefolii: No, not by any means.

The Chairman: If you could send us a copy...

Mr. Lefolii: I really will.

The Chairman: You really will.

Mr. Lefolii: This time I will keep the promise.

The Chairman: Well, Senators, on your behalf and on my own I will thank the witness. He did suggest he had received some letters which we might find interesting. If you would forward them to us, we would like to look at them and return them to you.

I would like to thank you for an insight which has been invaluable and if I do not embarrass you, I would think inspiring.

Senators, we meet tomorrow morning at 10 o'clock in this room for *Time Magazine*.

Thank you.

The Committee adjourned at 11:10 p.m.



Second Session—Twenty-eighth Parliament
1969-70

THE SENATE OF CANADA

SPECIAL SENATE COMMITTEE

ON

MASS MEDIA

The Honourable KEITH DAVEY, *Chairman*

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